









# **LAND PROBLEMS OF INDIA**



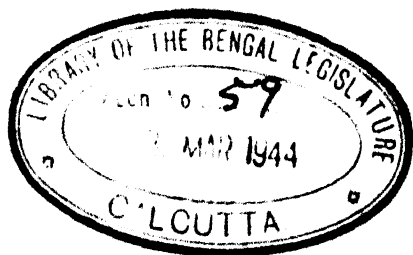
# LAND PROBLEMS OF INDIA

*Calcutta University Readership Lectures*

BY

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## PREFACE

Agrarian problems and policies have aroused recently great public interest in India, and are worthy of systematic study at the Universities. Almost every Indian province contemplates, or has carried out recently, some measure of land reform with a view to stabilize agricultural conditions. Land tenures and the Government policy towards the varied landed interests differ in different provinces; but a broad survey of the changes of ownership and tenancy reveals certain common features in the agrarian situation, which are apt to be ignored. Thus the land problems of one province throw light on those of another; a local policy, which is tentative and of the nature of a compromise, will be strengthened and made more definite by a reference to experience in other provinces.

Unfortunately, the study of land questions suffers from a narrow or provincial outlook. In some of the agricultural countries in Europe, peasant proprietorship and tenancy recently have undergone changes as a result of economic causes and legislative measures, which also are of great significance for the future of Indian agrarian reform. A comparative study reveals that similar social history and stratification give birth to similar types of land-holding, with their reactions on farming methods and practice. It is thus that land reform becomes part of a wider economic adjustment which follows a certain trend in every country.

In the present treatise, therefore, I have dealt with land problems as a part of economic history and freely used analogies and illustrations drawn from different provinces and countries. Also I have shown the bearings of the

status and proprietorship of land on the whole agricultural problem, as well as on national finance and taxation.

The social history connected with the origin and development of different types of villages in India has to cover much new ground. Sufficient data are not yet available; but those which have been adduced here (as a result chiefly of my own village investigations) point to the same conclusions as those reached by Vinogradoff, for instance, in his well-known studies of village tenures and settlement in Western Europe. Feudal land-holding in India and Europe has arisen from similar causes in each case, and has left indelible marks on village tenures and distribution of rights. Both *zamindarism* and sub-infeudation represent medieval relics which die hard, and have been bolstered up sometimes by promises and pledges. With these have mingled English notions of property and landlordism which are quite incompatible with tenurial history and tradition in India, and which have served only to strengthen the privileges of the landlords without imposing corresponding duties. The protection of tenants in India by establishing certainty of tenure, fair rents and compensation for improvements has met with varied degrees of opposition from vested interests in different provinces. The policy of the Government has wavered. Meanwhile there has been witnessed a gradual encroachment of the money-lending classes, who have profited from the creation of a saleable and periodical tenancy—the result of a half-measure in *zamindari* tracts. But the money-lender dominates also where peasant proprietorship is in vogue, as in the Punjab. Everywhere agricultural indebtedness lies more heavily on tenants with right than on tenants-at-will. The latter class is economically the weaker, and can offer but trifling security for credit. The extent to which the money-lending classes have gained in proprietary ownership has called for legislative enactments

which have not produced the desired result. Again, both in the Punjab and Madras, where there are peasant proprietors, we have a growing class of intermediaries who encroach on the profits of the farmer: Neither is the theory of State landlordism without its drawbacks. It has led to the disruption of the village communal system, which formerly was the bulwark of peasant proprietorship. In the *ryotwari* tracts, where there are no competitive landlords, the State as the sole rent-receiver, in fixing rents, often has allowed the peasant's wages of agriculture and standard of living to be decided by competition. This has reacted unfavourably on the status of the peasant and also on agricultural stability.

India, which shows a congeries of races and cultures, exhibits also a wide diversity of land systems and policies. Each has become woven into the economic framework of a particular region, and future evolution is confined within the limits of each provincial system. Yet new agricultural needs will introduce a common feature into the land policy of the different provinces in respect of the protection of the actual tillers of the soil, whether they are peasant proprietors, cultivators now below the legal peasant line, or, again, agricultural partners and serfs. Thus a modified State landlordism, which in reckoning economic rent assures the peasant an adequate standard of living, and a return of the land revenue to the land in ways that will increase his efficiency; a new *zamindarism* which, shorn of its semi-feudal incidents, and its historical privileges that have now outgrown their administrative use, paves the way for a real agricultural partnership between the landlord and the tenant; and a rehabilitated village community which would facilitate co-operation of the peasants and adjust individual and communal rights,—these are, in brief, the lines of future reform to secure a firmer economic basis for the prosperity of Indian agriculture.



I have to acknowledge my indebtedness to numerous friends, students, casual acquaintances and peasants who have assisted my investigations in various parts of rural India, on which a considerable part of this work is based. In dealing with village tenures and land-holdings, one has to pursue inquiries in tracts so diverse as the Munda-Dravidian *parhas* in Chota Nagpur and the scattered hamlets in Malabar ; the *zamindari* villages in Northern India and the joint villages of the Madras Presidency ; the feudal estates in Orissa and the Central Provinces ; and the fiefs and *patnis* of various grades in Eastern Bengal. I should also express my gratitude to Sir Bepin Krishna Bose, formerly Vice-Chancellor of Nagpur University, for his encouragement during the early stages of preparation of this work. My connection with the Provincial Banking Enquiry and the Agricultural Debt Relief Committees, U. P., enabled me to come in vivid contact with various shades of opinion relating to *zamindari* and tenancy in this Province. To my friend and colleague, Dr. H. L. Dey, I owe an excellent index. Nor should I forget the patience and co-operation of the Calcutta University Press throughout the long interval that separates the delivery of these Readership Lectures, and their final publication. My aim will be fulfilled if this book should direct the serious attention of administrators and students alike to the difficult problems that have daily to be faced by the Indian peasant.

Lucknow

RADHAKAMAL MUKERJEE

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The strength of the book lies in the appreciation of the influence upon agriculture of the local conditions of each region as regards soil, climate, and hydrographic features. A wide range of variation between regions is possible ; and scarcely any type is without significant representation in India ..."

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# LAND PROBLEMS OF INDIA

## CHAPTER I

### AGRARIAN UNSETTLEMENT

**General Land Situation in India.**—As in all agricultural countries, so in India, the problems of the land are the most significant of national questions. The standard of living of the Indian peasant cannot rise until a change in the land system supplies the essential economic basis of more efficient peasant farming. Neither scientific agriculture nor co-operation can make much headway unless we reform the land system, now so serious a handicap to the prosperity of the small farmers. In many parts of India the peasant is unable under existing land settlement to render his occupation profitable. With his limited holding and uncertain tenure, indebtedness weighs him down to an extent difficult for him to overcome at the prevailing rates of interest, while the rate at which holdings are being transferred to the non-agricultural classes is in itself indicative of a difficult situation. The inefficient system of agriculture that prevails, indeed, is connected less with tillage practice than with the forms of tenure now overshadowing the ancient peasant proprietorship, which formerly enjoyed the protection of the village communities. Both small ownership and the growth of village communities in India are connected with the dense population and with the practice of rice agriculture, which necessitates the

breaking-up of land into small plots surrounded by dykes and channels, and the collective management of irrigation. The disruption of the village communities everywhere has spelled agricultural decline. The disuse of equitable regulations as regards meadows, pasture-grounds, tanks, and irrigation-channels, and the dispersion of the supply of free labour for common agricultural tasks which formerly was facilitated by the associated life of the village communities, have weakened the rural economy to an extent which neither new habits inculcated by education nor the conventional measures of Government can cure. But peasant proprietorship has been weakened not merely by the loss of the traditions of social and agricultural co-operation; it also has been working its own decay by minute fragmentation where there exists no check of a collective coparcenary community. The creation of landed estates in India has led, moreover, to the minimum amount of agricultural utilization, as in England. With the increase of population and the importation of English notions of property, the landlord has found opportunities to increase his rents, and in addition to impose various illegal cesses and dues, without, however, interesting himself in matters of land improvement. Tenancy legislation has been necessary where tenants have been regarded merely as money investments and permanent improvements have been discouraged; but the economic strength of tenants is by no means assured, while in some parts rack-renting as well as other dangers of subinfeudation and subletting through a chain of inferior proprietors are realised. The creation of landlordism, both of superior and inferior grades, and the break-up of peasant proprietorship and the village system in India, have resulted inevitably from the original misunderstanding on the part of early British Administrators who had derived their lessons mainly from the agricultural history of Western Europe. In the East the village

communal system was an old-established social adjustment, responsive to the requirements of dense populations in fertile plains. Hence the land and village systems and forms of tenure in India are very different from those of Europe.

**Origins of Land-holding.**—In tracing the stages of agricultural development we must sift the factors which govern the evolution of different types of land-holding and village life in India and the medieval West. In the former an earlier clan and tribal organisation evolves into the village communal system. The bond of union is no longer kinship, but the newly-developed emphasis on co-operative methods in irrigation and the social necessities of a closely-compacted population. This differentiates the Indian village community from the Teutonic or the Slavonic institution. The latter savours too much of its early tribal origins; while the former has differentiated economic structures, classes and castes, and exhibits more elaborate customs and usages governing the diverse interests in the soil than could have been evolved by organisations on a mere ethnic basis. These customs and usages are quite compatible with intensive cultivation and peasant ownership, though the communal element continues to prevail. In the West agricultural development was possible only when village collectivism, with its communal routine of agriculture, which was far more rigid than in India, was superseded either by the *latifundia* or by unrestricted small holding. In India the village communities established a balance between individual and collective rights which was conducive to agricultural efficiency in its adaptation to social and geographical conditions. But the economics of conquest has left deep marks on Indian as well as on European rural life. The influence of political authority and conquest in establishing the feudal, as distinguished from the autonomous, type of village organisation is discernible both East and West. Thus the growth of



manorial estates has been seen both in Europe and in India, and requires comparative investigation. The drawbacks and deficiencies of peasant-farming on the one hand, and of feudal land-holding and absentee landlordism on the other, are not peculiar to India. In other countries similar causes have produced a similar transformation of the relations of the agrarian population, with its reactions on agriculture.

**Position of the Indian Peasant—Signs of Unrest.—**

The agricultural population of India now works on very meagre resources, which, if we consider the well-being of the peasants themselves, are very poorly distributed. Our examination of the changes in landownership and tenantry during the last fifty years will show that this maldistribution is growing worse. The economic position of the small holder has deteriorated, while the contrast between landlords and expropriated peasants, between the increasing class of rent-receivers and the toiling agricultural serfs, betokens a critical stage in our agricultural history. The uneconomic holding, the absence of full proprietorship of the cultivators, and the use of semi-slave hired labour, are incompatible with the efficient intensive cultivation which is the great advantage of peasant-farming, and without which our increasing population must stay content with a single meal, thin gruel, and a loin-cloth. The faint rumblings of peasant class-consciousness, already audible in some parts of India, challenge the present agricultural *régime*. No man should suffer imprisonment with hard labour in one-eighth of an acre of land. No class should be merely "a mud-sill on which a superstructure may rest": the class which maintains the race should not be the scapegoat of its burdens and penalties.

**Tenant Law and its Abuse.**—With the rise of landlordism, the rights of the village communities and peasant proprietors have been obscured. The aim of tenancy

legislation in Bengal, the United Provinces and the Central Provinces has been to correct the mistake of such suppression and to recreate proprietorship, albeit in a modified form. Occupancy right has been bestowed, but the classification of tenants into occupancy and non-occupancy has been nowhere a sufficient protection against enhancement of rents or even eviction. The great mistake of tenancy reform has been that the right it created depended upon a time-limit, and therefore upon the forbearance of the superior proprietor to exercise his power of eviction before it matured. Hence the right came to be sold and purchased, and the superior proprietor, and sometimes the surrendering tenant as well, took advantage of the situation, and extorted some profit from the transaction. This is the case still in Bengal, Bihar and the United Provinces, where the increase of population and competition for holdings have aggravated the evil. The system of taking premiums from the tenants has prevailed less in Bengal and Bihar, however, than in the United Provinces, because of the creation of permanent heritable rights. In Bengal and Bihar the exaction is imposed chiefly on the occasion of transfer, whether legal or fictitious. 'Transfer of tenants' holdings is as a rule recognised on payment of a premium, which is sometimes based on the purchase price or the rent, and sometimes is an arbitrary amount which is as high as the purchase price. Indeed, non-transferability has everywhere left the *zamindar* scope for the appropriation of unearned increment in every province where superior proprietors have been created. Apart from these openings for tenancy exploitation, both in the United Provinces at present and in the Central Provinces before the passing of the Tenancy Act, the existence of a periodic protected tenancy depending upon the consent of the landlord, and hence difficult to acquire, has been a fertile cause of the levy of exactions in various guises. With regard to privileged tenants, an arbitrary

increase of rent by the landlord is difficult, and all enhancement is subjected to legal control ; but, in thickly-populated areas of Bengal, Bihar, Orissa and the United Provinces, the law regarding enhancement is often, if not commonly, evaded. With the passing of tenancy laws in the different provinces there recently has grown and extended the practice of levying *nazarana*, which in essence is the capitalisation of the increase of rent. Its evil consists not merely in the amount of accumulated capital of which the tenant is periodically deprived, but also in the handle it affords to the landlord on convenient occasions for enhancement of rent. Illegal enhancement of rent also is not unusual. On the other hand, the improvement of the land is difficult. Large portions of land are let out in "*patnis*," sometimes with very little margin of profit for the under-tenureholders, who therefore are unwilling to expend capital on improvement. *Ryots* in a large proportion of cases have the status of fixed rent, under which their rent cannot legally be enhanced even if the landlord spends money and improves his land. The difficulty of obtaining increases of rent from the *ryots* on the ground of improvement is very great, and both superior and inferior proprietors are generally loth to risk the uncertainties of litigation. As regards ordinary tenants in Bengal, the Agra province and Oudh, the laws, while preventing sudden rises in rent, do not hinder enhancement and eviction. The custom of subletting has grown also, in spite of legal difficulties, in Bengal, Bihar, Agra and Oudh. This has converted the tenant into a mere rent-receiver, who has taken full advantage of the general rise of prices, and further contributed to reduce the economic status of the actual tillers of the soil. In large parts of Central and Western Bengal, the sturdy class of Bagdis and Bauris has succumbed already to the more intelligent castes. They have been reduced to mere labourers, while those who claim the privileges of a *ryot* of

the Bengal Tenancy Act are often persons to whom the driving of the plough is a social degradation. Throughout Bengal the professional and moneyed men aspire to become small landlords, and seek to buy out the original *ryots*. Some of them cultivate land on their own account by means of hired labour, but a great majority lease the holdings on share agreements. Such *metayers* are sometimes regarded as tenants and sometimes as labourers, and sooner or later their legal status must be defined. The rapid increase of this class, usually paying a rent in kind much higher than money-rent, points unerringly to the weakness of the peasantry. Evils of this type have not been combated as yet by legislation. Freedom of subletting has converted not merely the occupancy tenant in Bengal, but also the peasant proprietor in many parts of the Punjab and the Madras Presidency, into a rent-receiver, an inferior absentee proprietor living on rent or a share of the produce. About half the total cultivated area in the Punjab is cultivated by the tenant, and of the rented area more than two-thirds is on the share-produce system. On the other hand, it is the inferior class of unprotected tenants who not only pay much higher rents than the superior tenants, but also rent smaller-sized holdings and, having little security, pay higher rates of interest for agricultural capital. The marked divergence in recent years between old occupancy rents and new competitive rents, in temporarily settled tracts, has threatened more or less the occupancy status, has led to subletting, and has produced the evil of *nazarana* of all kinds ; and all these questions are involved in the consideration of any reform in the system of tenant right. The Central Provinces Tenancy Act of 1920, in so far as it has created permanent tenure, restricted transfer and prohibited subletting, is a skilful piece of legislation which has rehabilitated peasant proprietorship, protected cultivating interests against the moneylender, and at the same time

prevented peasant proprietors from converting themselves into intermediaries exploiting the peasants below the legal peasant-line. It is very interesting to find that in countries so diverse as Russia and an Indian province the same evils arising out of the same agricultural conditions have been proposed to be remedied by almost identical measures. On the *ryotwari* estates, the periodical settlements have done a grave injustice to the small holder by disintegrating the village communal system, and by appropriating a larger and larger share of the agricultural income, which if peasant proprietorship were absolute and the theory of State landlordism not carried to its present extreme, would have returned into channels of permanent land-improvement. The deterioration of peasant proprietorship and the accompanying free disposal of village commons as a result of encroachment and administrative policy have brought about agricultural depression, much in the same way as they did in France and Germany in the nineteenth century. Warning may also be taken in this connection from the deterioration of English agriculture before the Industrial Revolution, as a result of similar legislative interference. The Soviet Government is now finding it difficult to rehabilitate the *mir* on account of its basis having been weakened by the State appropriation of common meadows and forests, and the importation of individualistic ideas of property into the "New Economic Policy."

**Protective Legislation for the Peasant.**—For remedial measures necessary to deal with the present situation we should draw freely from the experience of Ireland and Scotland and of the countries in Central and Eastern Europe, where small holdings exist or have been reconstituted by recent land reform. It must be a process of slow growth and adjustment in India; for, wherever we touch the land, we handle the root system of society. Wherever we have the great estate,

and this estate is broken up into farms which are dealt with on the produce-sharing system, we have to develop gradually towards security of tenure on one hand, and equitable farming agreements, characteristic of the *metayage* in Italy, France and Spain, on the other. In virtue of these agreements a veritable joint-ownership is established between the landowner and the tenant in parts of Western and Southern Europe, and the tenancy sometimes passes from generation to generation, thereby establishing effective ownership. Where we have peasant proprietorship we should not break up the traditional village communalism, but revive the collective control over the use of the land, collective irrigation and collective cultivation. Gradually the village communities would thus be converted into co-operative societies so that they might make joint purchases of the necessary farm stock, sell the produce jointly, or obtain credit in common. The case of the inferior peasantry who obtain land or stock from the richer farmers, to whom a share of the produce is transferred, also demands protective legislation. The constitution of economic holdings, prevention of fresh subdivision, and restriction of transfer and subletting, seem also necessary, if we wish to profit from the experience of different countries in Europe. There are, again, the farm hands, whose condition varies in different parts of India. Some have small plots of their own or work as partners. Others move from plot to plot, while some are so much involved in debt that they sell their services for life to the family of the *zamindar* or the cultivator. The serf, who still plays an important part of the machinery of Indian economic life, deserves much greater attention and sympathy than as yet he has been able to elicit. With greater solvency of the peasant farmers, with the immunity of the different grades of tenants from arbitrary eviction and enhancement of rent, with the protection of the farm hands and agricultural

labourers, and with a more equitable system of taxation, we can avert an agrarian crisis, and meet a famine when it comes more courageously and more successfully than we have done hitherto, neither bewailing the inflictions of Providence, nor looting the bazaars in desperate revolt. The present situation is full of peril. The agrarian problem has to-day its social and political reactions ; village unsettlement and political unrest have a direct bearing on each other, and this may result in intensifying both.

**Features of Land Unsettlement.**—There are at least three outstanding features of the present land unsettlement whose effects are not confined to the economic sphere. There has been a tendency during recent years for the cultivating proprietor to lose ground to the cultivating tenant and non-cultivating rent-receiver or rent-payer. The Jotedar in Bengal, the Lingayat in Bombay and the Brahman in Madras have given up the plough, and now are dependent on the cultivating classes whose economic status has suffered. In the Punjab alone the number of rent-receivers has increased from 626,000 to 1,008,000 during the last decade. There has been also a large increase in Madras. In the permanently or temporarily settled tracts the tenure-holders and protected cultivators have rapidly become middlemen, and where population has begun to press on the land they have sublet. The subletting in many places has gone several steps lower.<sup>1</sup> In some areas the existence of these intervening interests, which are readily bought and sold and the possession of which is much coveted, has exercised a healthy influence in creating a higher standard of comfort. But often these classes are idle or thriftless. All this has poisoned the peacefulness of rural life and sometimes made tedious and

<sup>1</sup> This tendency to intensive subletting was noticed in Bengal by the Rent Law Commissioners in 1890: see their *Report*, p. 23.

difficult the simplest duties of routine and revenue. Secondly, the problem of industrial unrest in the cities is connected closely with the growth of the landless class in the villages. A floating immigrant population is the chief obstacle to measures of civic social improvement and amelioration. Labour legislation or housing reform, for instance, cannot be effective until the continuous cityward drift of the landless classes is checked. Thirdly, the structure of village life governs the system of polity, and the change from peasant proprietor to peasant proletariat has introduced new factors in the evolution of the Indian democracy.

**The Peasant's Awakening.**—Fortunately, there is a growing recognition that the social and the political problem cannot be solved without going down to the very roots of the Indian social and village structure. We see already the signs of this when we find the peasant mass point of view articulated in our social and political programmes. More and more is our attention diverted from middle-class politics and education to the fundamental problems of a peasant mass movement. Grain riots, labour organisations and strikes are not confined to industrial centres. We see here and there the rudiments of peasant unions and active combinations against absentee landlords, sometimes covering whole districts and successfully resisting short measurements and illegal cesses, the forcible execution of agreements to pay enhanced rents and the supersession of forest rights. We see also the beginning of an agricultural labour organisation which refuses *begar* or forced labour. The Co-operative organisation has come to stay in the villages, and it contributes not a little in arousing mass-consciousness. The Non-Co-operation movement also has engendered a new spirit among the peasantry. No longer do the established rights of landlords, tenants and agricultural workers stand as sacred taboos in



village *panchayats*. Ireland has had its Houghers and its Levellers, and its letting of blood that cries from the ground; agrarian crime in India has taken the form of fire-raising and bazaar-looting, and there have not been wanting instances in which peasants have murdered a landlord or a money-lender merely by way of warning.<sup>1</sup> It is thus that the elemental economics and politics of the field impress themselves on our attention as the foundation of our national policies and programmes.

<sup>1</sup> Field: *Land-holding*.

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## CHAPTER II

### ORIGINS OF COMMUNAL LAND-OWNERSHIP

**Determinants of Rural Conditions.**—The nature of the soil and amount of rainfall, the course of ancient settlement and the force of custom among a peasantry mostly ignorant, have determined the conditions of rural life in India. There is a connection between the rise and stability of the village community and the pressure of population in fertile river valleys, between unstable tenures and primitive modes of cultivation in semi-arid regions or overgrown jungles, and between the rise of feudal estates and the absence of security and moderate fertility in forest clearing. Distinct types of land-holding, which thus seem to be associated with characteristic geographical conditions, have determined the status of the actual cultivators, their rights and privileges, as well as the dues, services and suchlike exacted from or rendered by them.

**Regulation of Holdings—Strip System—Admission of Settlers.**—It may be pointed out generally that where land is plentiful and cultivator scarce ownership is inchoate. The village community or an individual founder of a settlement would exercise only an undefined guardianship, the practical results of which would vary according to economic conditions. On the other hand, where men swarm in permanent habitations on a definite area of land and the soil is moderately fertile, there is more or less definite application of rights of proprietorship. Here the distribution of dues and privileges is well recognised. In some parts of India, the periodical redistribution of holdings by the tribe or the village community persisted or still persists, as, for instance,

in the inhospitable regions of parts of the North-West Frontier Province, where the people still lead a semi-nomad life; or in the fastnesses in the Chota Nagpur plateau inhabited by the aboriginal tribes who follow a system of migratory agriculture; or, again, in the barren sand-dunes of Tinnevely which can support a primitive agriculture only. The periodical division of holdings was retained till very recent times in the river valleys of Northern India as a custom of land-holding in alluvial lands, where there may be gain or loss from the river action or a change in the moisture of the soil or other accident. In the alluvial plain of the Indus above Attock, or in villages in Ludhiana district or in the Jullundar Doab, there persisted or still persists a periodical division of strips of land which are arranged at right angles to the river. This system of exchange prevailed also in upland soils, but chiefly in alluvial soil in Banda. It ought to be noted here that in every part of Upper India equality of soil areas was secured chiefly by the division of blocks or strips of lands at right angles to the rivers or their tributaries. Examples of exchange were also to be found in the Central Provinces, in Chhattisgarh, where it was adopted also in comparatively recent villages. Fields were changed periodically so that no tenants should monopolise the best land. This practice is known as *lakhabata* and seems to have arisen out of the peculiar features of the old *taluqdari* tenure as developed by the isolated state of the country. When once settled in a country the inhabitants of Chhattisgarh seem to be loth to leave it, and in old times the dangers of the jungle roads must have been considerably greater than at present; hence there was little external trade, and both chiefs and people lived in ignorance of the luxuries of the outer world, content with the produce of the soil. The same causes acted on the ruling powers; hence an expanding revenue was not looked for, and, since money was of little value, excepting to satisfy the revenue

demands, the payments of all remained the same from year to year. Under such a system it was clearly to the advantage of the *ryots* to induce any new-comer to share their burdens, and all were willing to give up some of their lands to attract settlers, who were put on the same footing with older residents; but at the same time it was held that such relinquishment must fall on all equally, and hence arose excessively minute sub-division.<sup>1</sup>

**Survivals of Communal Land-ownership.**—The periodical exchange of holdings is discernible often among the autochthonous Munda-Dravidian tribes, who also zealously maintained the rights of the whole tribe or its sections over the uncultivated wastes. As in Europe, the periodical distribution has fallen out of vogue with the development of agricultural skill, and as a rule is unknown. We may mention here that holdings in the arable fields were reassigned periodically by lot in Germany far into the 19th century. Communal land tenure is for the most part confined in India to the waste lands, meadows and pastures along with dues and services of a co-operative village system, which have evolved out of an earlier tribal communism. These seem to be the most characteristic features of early village settlements in India as in other countries. Unfortunately Baden-Powell's obsession with Maine's emphasis on the joint family ownership prevented him from giving due consideration to these equalising customs, and to the apportionment of rent-free lands for village officers and labourers which grew later out of the original and essential rural communalism, and now is met with in most parts of India. These are original features of early or primitive land settlement which have survived. There are also survivals of village customs showing a difference of

<sup>1</sup> J. F. K. Hewett: *Land Revenue Settlement of the Raipur District*, 1869.

rights in common lands between original settlers and strangers, and even as regards the fresh distribution of the village reserve lands by the village councils, with the object of satisfying settlers or persons needing larger holdings without having to disturb the others. It thus appears that the soil in India belonged to the tribe or its subdivision—the village community, the clan, or the brotherhood settled in the village—and never was considered as the property of the king as has been assumed by many writers. The framework of the Indian rural polity was supplied by the autocthonous. The Munda-Dravidian folks gave to India the *panchayat*, which institution is ubiquitous in India, both north and south, and seems to have arisen from the necessity of collective village management with special reference to irrigation and the employment of village labour. It was the headman and the village accountant who linked the villages, which were republican in all that concerned internal affairs, to the central authority of the area in which they are situated. In the joint villages of the Brahmans in South India the *panchayat*, which is the social binder of the lower orders, was superseded by the *sabha* or village council, but the organisation of village services through the allotment of rent-free lands to the lower castes, which performed the entire agricultural and manual labour, represented the continuity of the older tradition. The village community throughout its history claimed its ownership of the arable land against the encroachment of kings and their viceroys and deputies, exercised its control over common lands and pastures, and enforced the co-operation of the peasants in the common duties of the village. The distinction which Baden-Powell draws between joint ownership of a village, and the possession of the village commons and grazing grounds and other traces of original clan or village properties, or the custom of a periodical distribution of the tillage lands or the fallow, is refuted

by economic history, which often finds them as inseparable stages in the evolution of property and of early village forms in different countries. To each family a homestead and plots of arable land parcelled out of the common soil, to the community the meadow and the waste—this is the general principle of the village community everywhere, in Japan and Java, in India and Europe, in Fiji and Basutoland.

**Indian and Medieval European Village.**—Throughout India, along with the common lands and the distinction between original settlers and new-comers as regards rights in woods, pastures, etc., we find that holdings are usually made up of strips of land scattered about in the fields and tilled on a two- or three-course rotation. Thus the agriculture of an Indian village does not differ perceptibly from that of medieval Europe. The compact village, the scattered peasant holding, and the communal routine of the open fields still dominate the rural life of India as it dominated the life of medieval Europe. In Europe, however the imperial system and feudalism obscured the ancient village communalism, suppressed the rights of the peasantry in the common lands, disintegrated village solidarity, and absorbed most of the profits of agriculture so that the tenants were debased. In India, the village communalism has been far more widespread, and the common pasture, the peasant's rights of grazing and cutting fuel, and the communal control of woodland and pastures and irrigation channels, have survived for centuries.

**Types of Indian Village and Collective Land-ownership.**—Throughout the North-Western Frontier Province, the Punjab and the United Provinces of Agra and Oudh, the self-governing village communes, founded as a result of the subdivision of tribes, still survive in very large numbers. In the North-West Frontier Province these are villages of immigrant conquering Moslem tribes who still

live more or less according to their ancient tribal organisation. In the Indo-Gangetic plains the village communities are those of immigrant tribes, some of associated bodies of settlers, some resulting from the multiplication of families of single or associated adventurers. In the United Provinces of Agra and Oudh, the village communities are founded mostly by agricultural tribes, clans and castes forming close communities ; and the distinction between superior landlords and other people on the estate is not to be found excepting where it is a creation of misunderstanding. In Oudh, however, the influence of *rajas* or chiefs and *thakurs* has reduced the village communities to a subordinate position, while a similar result has followed in Behar from the growth of territorial landlords. In Bombay, in one or two districts of the Gujrat section and in Konkan, there were villages which exhibited the same features as the proprietary self-managed communes of Northern India : the elders formed the heads of clan groups and they had an artificial land allotment resembling the *bhaichara* tenure. A very large number of them are held by Rajputs, Kunbis and Kellalars who distributed the burden of the revenue among themselves and survived the depression caused by the Mahratta rule. In the Central Provinces the Khalsa villages similarly are self-governing proprietary villages, but these may be traces of villages of original settlers under the Dravidian system whose descendants have become landlords. In Southern India, the ownership of villages by *mirasidars* or bodies of co-sharers claiming the entire area (village site, cultivated area, and waste within the customary limits of the village), arose exactly as we find it in other parts of India. Naturally enough, the colonisers banded together and divided the new villages into shares, either according to their ancestral connection or to their means in ploughs, number of followers, and cattle; sometimes they held the land in common, exchanging the holdings periodically (to give each

sharer his turn of good and bad land). Such a settlement, confirmed by the goodwill of the king (who granted special revenue-free portions in each village) and backed by the sentiment of ownership which arises from the maintenance and improvement of village common lands, temples, bathing-*ghats*, irrigation canals and other public works, soon produced a strong communal village feeling. In the Aryan settlements throughout South India there still exists, in spite of the emphasis of the sacred rights of individual family households, the collective ownership of the peasantry over common lands, irrigation channels, etc., called *samudayam*, which is independent of the joint family law and economy. This is similar to the ancient customs relating to common ownership of land in the Northern Indian village type.

**Tribal Origin of Village System.**—We proceed to trace briefly the evolution of an older tribal and clan organisation into the village communal system, which everywhere has left an indelible impress on the social relations of the agrarian population. Prof. Vinogradoff's remarkable studies of Greek, Welsh, Slav and Teuton rural practices have established the following conclusions:—(1) The kindred, as a variety of clan system, was formed by the alliance between agnatic households for purposes of defence and mutual help. It involves a subsidiary recognition of relationship through women. (2) The arrangement of agriculture on the open-field system, based on the solidarity of the groups of neighbour cultivators, was originally conditioned by kinship. (3) The transition from tribal to village communities was brought about by a standardisation of holdings, which aimed at establishing a fair proportion between the rights and the duties of the peasants. We thus see how the Indian tribal organisation and land tenure correspond with the other types of rural organisation seen in the West, German, Slav or Celtic. In the North-Western Frontier districts the arrangement of agriculture was governed by the



clan distribution, and occasional or periodical redivision of holdings testified to the effective overlordship exercised by the *khels* over the whole tribal region (the *tappa*). During the movement of tribes like the Jats, Gujars, Rors, etc., along the river in the South-Eastern districts of the Punjab, they exhibited the same group solidarity and control of the landed property of the household by the tribes, which characterise the tribal communalism of the Pathans and the Bilochis of the North-Western districts. Here, and especially in the Jumna districts, have developed the closely-knit and compact *bhaichara* type of rural settlement. In some tracts, on account of the encroachment of rulers, the single individual or family landlord type has developed and obscured village rights and duties, which are to be ascribed to communalism; yet the common village fund (*malba*) and the common lands (*shamilat*) still remain as evidences of the communal element in village life.

**Bhaichara Tenure and its Subdivision of Land.**—The pure *bhaichara* is the tenure *par excellence* of the self-cultivating Jat and Gujar clans. Inquiry tends clearly to show that generally the original settlers or founders of a village, to which this class of tenure applies, formed a group of families more or less closely connected by blood or inter-marriage, while their elders formed a council for general affairs. As population increased and the advantageously-situated lands near the village site became more fully occupied, the initial stage of promiscuous occupation appears, in many cases, though by no means in all; to have been followed by a reorganisation which took the shape of a redistribution of the occupied and cultivated area among the original settlers or their descendants, the nature of which was somewhat as follows:—The area to be distributed was divided into large blocks (*hars*), each characterised throughout by general similarity of situation, quality, etc. They perhaps corresponded roughly to the

soil classes framed for purposes of partition under the modern procedure. Lots variously known as *dheris* or *kuras*, then were formed, each consisting of non-contiguous plots selected out of the different *hars* so as to render the lots as far as possible all generally equal in regard to quality of soil and situation, etc. The land was carefully divided according to quality, so that each should have his fair share, and the same rule was observed when a new-comer was admitted to cultivate. The long dividing lines at right angles to the contours of the country which mark off the valuable rice-land into minute plots and the inferior sandy soil into long narrow strips including a portion of each degree of quality, and the scattered nature of each man's holding, still show how carefully this was done.

**Halbandi System.**—A very characteristic survival of this practice is found in the *halbandi* system of the Basti District in the United Provinces. The land is divided into areas supposed to be equal in extent and value and to represent the tillage of one plough. A uniform rent-rate is payable on each *hal*. In the effort to make the *hals* uniform, a portion of every fragment of the area has been given to each *hal*, so that the subdivision of plots which is due to increase of population and fertility assumes an absurdly aggravated form. In many villages the average area of a plot is less than ten *biswas* and a village of less than a square mile frequently has more than 10,000 plots. To prevent any chance of one man gaining a pie's advantage from his neighbour, it formerly was the custom to exchange the *hals* or to re-divide the village from time to time. The *halbandi* system has been utilised in the present system of rent assessment.<sup>1</sup> The system of *halbandi* appears

<sup>1</sup> Clow: *Final Settlement Report of the Basti District, 1915-1919.*

also to prevail in the outlying tracts of Champaran amongst the *Uraon dhangars* who originally came from Chota Nagpur. In Chota Nagpur also the system is not uncommon. The essence of the *halbandi* system is the assessment of rent not on the area cultivated but on the ploughs maintained. Thus the area can expand or contract without affecting the rent payable.<sup>1</sup> A variation of this is *bailbandi*, where the rent is assessed on the number of plough bullocks. One *hal* is considered equal to four *bails*. In Chota Nagpur *ek man paran* means the area of land on which one maund of seed would be expended, and this represents approximately a superficial area of eight standard bighas. *Ek pura dhan* means a field which is expected to yield a produce of ten maunds of paddy. The size of such a field will vary with its classification ; it might represent one bigha of *bahal* land or three bighas of *baid* land. As providing a means for calculation of rent, there is a great deal to be said for the latter system of reckoning.

**Survivals of Clan and Village Organisation.**—Remnants of the clan territorial distribution and village settlement, with its socio-juridical organisation on a tribal basis, as well as the economic tendency towards a distribution of land *per capita*, at least after certain main divisions based on kinship are passed, are yet to be found throughout Northern India. Instances of clan areas with their groups of villages are most frequent. It is noteworthy, also, how the fiction of common descent is preserved even under circumstances which encourage admission of strangers into tribal organisation. In spite of unions of groups of adjoining villages in troublous times for common defence, or the British confusion between ancestral sharers and cultivating

<sup>1</sup> Sweeney: *Final Report on the Settlement Operations in the District of Champaran*, p. 51.

tenants in the village communities, ethnic ties still have been found strong enough for the application of the principle of joint responsibility as regards revenue. Indeed, the general tendency of North-Western settlement has been to preserve the village bodies, and in the Punjab plains this has been carried out fully, the settlement having created village communities in certain parts by granting waste lands for the enjoyment of a group of holdings in common. The territorial distribution of the Pathans and Bilochis throughout the frontier tract has been strictly tribal. Till lately the tribe and not the village was the proprietary unit in many cases, and periodical exchange took place between the proprietors residing in one village and those of a neighbouring village. In the United Provinces of Agra and Oudh we frequently come across this clan area, the *tarf*; the *thok* is a sub-group, which usually becomes the administrative village, and this again is subdivided into *pattis*. The clans are of various tribes: Rajput, Jat, Bhar, and Ahir, and some are Muhammadans, who came with the successive invasions. It is very characteristic that we sometimes find the lands of the clan and area, the *thok*, are made up by taking a part from each different soil area, and are scattered over the whole *tarf* so as to secure equitable distribution. *Pargana* and *tappa* divisions, which sometimes correspond with the natural divisions formed by rivers and other natural features, are characteristic of many Rajput settlements in Agra. Other instances of septs occupying well-defined local areas are furnished by the Bais of Baiswara in Southern Oudh, the Dikhits of Dikhitiyana, and so on. Vestiges of the original grouping in the local areas held by the brethren of a single clan are represented also by the *Chaurasi*, or division of eighty-four villages, the *Satasi*, of eighty-seven, the *Biyalisi*, of forty-two, and the *Tera*, of thirteen, which is the traditional number of villages presented by Jay Chand of Kanauj to the bodies of Rajput colonists who settled

under his auspices.<sup>1</sup> Village lands also are distributed by standard plots in the same way, agricultural customs are recognised, and any disputes that arise are settled satisfactorily by the *panchayat*, which, with other *bhaichara* institutions, exists in great perfection. Internal troubles destroyed in many cases these democratic clans, and villages came to be acquired by local headmen, by managers and revenue-farmers. Overlordship by adjoining *thakurs*, or chiefs, was freely accepted, and not infrequently invited, by local cultivating bodies. The vicissitudes of war and migration often have obliterated any traces of clan fraternity while the ignorance of early British Settlement Officers frequently destroyed the communal principle by vesting the ownership in any person who become responsible for the revenue in circumstances when only such persons should be recognised. But, whether villages are relics of former kingdoms or chiefships or of democratic clan settlement, whether their composition now has become heterogeneous on account of the influx of new settlers, or their communal tenures have been obscured by the importation of the Western idea of individual proprietary right, the juridical traditions of the village community and communal tenure have survived, and still are vital forces for the reconstruction of the village polity.

In the South, remnants of the clan distribution and settlement are met with in the *nadu* divisions; the *desam* and the *amsam* are sub-groups, which usually represent a group of villages; the smallest sub-divisions are the *taras* or *karas*. The clan distribution is more marked in Malabar, Cochin and Travancore than elsewhere in the Madras Presidency.

**Some Old-time Standards.**—In spite of the encouragement of individualistic tendencies by the British revenue

<sup>1</sup> Crooke: *The North Western Provinces of India*, p. 2.2.

settlement, vestigial remains of the effective overlordship of the tribe or clan and of natural husbandry are still to be met with in many parts of India. In many provinces economic and tenurial units are standardised on the old basis of natural husbandry. Thus, lands are divided according to the number of baskets of seed or in *hal* (plough) lots, and the *hal* is usually the area estimated to be ploughed by one pair of bullocks. In the United Provinces, in the western part of Gorakhpur District the peasants do not reckon the bigha according to the size of the rod, but measure it in *mandis*, a *mandi* being an area roughly ten paces square in which a *sei* of the seed of the more common crops is sown. The *sei* is a local measure of capacity, but varies somewhat in quantity. The standard bigha contains 48 prevailing *mandis*, and the *pargana* bigha about 70. In the undeveloped tracts near the Himalayan foot-hills in Champaran District in Bihar, the unit of area is measured by a *laggi* or pole whose length (and size of the bigha) varies inversely with the pressure of population and demand for land. The change can be traced by marked stages from the  $6\frac{1}{2}$  cubit *laggi* on the Muzaffarpur border to the  $13\frac{1}{2}$  cubit *laggi* in the most primitive part of the district. In Bombay, villages often are reckoned as consisting of so many *cahar* (i.e., area worked by four pairs of bullocks). Recognised fractions of this were *pain* or fourths. There are, of course, different local standards corresponding to the different English poles, ells, roods, etc. The overlordship of feudal nobles and revenue farmers, Mughal or Mahratta, has led to the break-up of holdings or their accumulation in arbitrary combinations, while the pressure of population and of taxation, as well as landlordism, has encouraged in more recent times the reduction of holdings to standardised types.

**Village Commune supersedes Tribe and Clan.**—In every case, however, the tribal system was either dissolved

or transformed into the village communal system. Thus as a bond to hold together the peasantry the tie of kindred was superseded by the economic necessity of collective agriculture. It is only in isolated districts in India that the tribal system still is found maintaining existence by developing into complete clans. The substitution of strangers for kinsmen began long ago ; the cultivator settles a stranger as a *bhuin-bhai* (soil-brother), who thus receives the same status as the original owners. This process is similar to the Welsh *weles*. The process of transition also involves a regularisation of holding, and a change from apportionment of shares according to the rules of descent to an apportionment according to economic standards. This side of the process gives special significance to the Punjab customary law and Madras *mirasi* custom, which thus may be compared with Scandinavian and more specially with Swedish and Danish practices. Special attention should be drawn, in the study of Indian village tenures, to the following features :—

1. How far tribes, clans or castes occupy well-defined local areas.
2. How far a periodical redistribution of holdings among villagers of the same tribe, clan or caste is still prevalent.
3. How far lands are found to be scattered in each different soil area.
4. How far meadows are taken by rotation or by lot.
5. How far customary standards hold their ground as regards holdings.
6. How far outsiders have been given similar rights in the waste and pasture to those held by the original settlers.

In the Eastern districts of Madras the supersession of the clan system by the village communal system has been

complete. The agrarian distribution on the open field system based on the solidarity of castes was conditioned originally by kinship, but now strangers have been introduced. It is true that, as in the later Russian *mir* or the *zamindari* village of North India, it is not used by the central authority as a material basis for revenue burdens laid on the people, but the common waste and pasture and even occasional re-divisions still persist. The maintenance of a common fund, or the shaping of village customs and village husbandry by *panchayats*, is not confined to the North Indian villages with their more or less complete clans; they are to be found also in the South, where the Aryan admixture with the Dravidian peoples has evolved a more complex communal system. Similarly, in the Dakhan villages in Bombay the common village expenses are met by a cess levied as a *mushahara*—a cash percentage on the revenue over and above the State revenue. The communal maintenance of temples, *chawadis*, etc., and the joint management of expenses belonging to the peasantry as a whole, still persist as before. Everywhere the village communal organisation has replaced the older clan and family organisation. Thus it is not the tie of actual blood-relationship which necessarily gives the rights of membership in any given village community, but the fact of actual association in that which constitutes its home and centre of activity, namely, the ownership of land. The common interest which attaches to this home tends to produce common customs regulating rights in arable lands and in the village meadow or waste, irrespectively of the religion or caste or tribe to which its various members may belong.

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## CHAPTER III

### THE LANDLORD TENURES

**Feudalism in Northern India.**—What approximation to the manorial system of medieval Europe is traceable in India will be found in the higher caste villages scattered throughout Northern India in which the clans and families of founders have expanded into co-sharing communities who dominate, as in any case of landlord tenure, the rest of the agrarian population. Generally such villages belong to Rajputs or some other superior or at least non-cultivating class, who give protection to the peasantry, as did the feudal lords of medieval Europe to a peace-loving or dispirited population who own or owned land all over Europe, and to the population on other communal estates which exist or existed in most of Europe, and are called *Allmende* in Switzerland, South Germany and Scandinavia, though their members, like those of the communal estates in India, do not themselves cultivate their property either necessarily or generally. They can thus be distinguished from the boroughs.

**From Overlordship to Proprietorship.**—Or, again, such overlordship has been the result of a special privilege, a grant, or of usurpation, or of dismemberment of a ruling family and their territory. Political authority has tended to become proprietary connection with land by a process of attrition or degradation through the stages of feudal superior, seignior or overlord (*sirdar*), assignee of land revenue (*jagirdar*), farmer of the state revenue (*ijaradar*) and suchlike. In each successive stage the actual personal connection of the above classes of persons with the management of land and the control of its cultivation became closer and more

intimate than could be that of the *raja*, political ruler, or tribal chief of any important section of a country, although as a rule they would not themselves actually drive the plough. As the political power of such a chief or of his descendants became more and more curtailed by conquest or by process of fission set up by the necessity of providing appanages (*guzara*) for the younger scions of the family, in so far did political connection with land give place to a closer and nearer personal and proprietary connection, coupled, of course, with a concomitant restriction of the area concerned.

**Settlement under Non-cultivating Landlords.**—It seems to be a reasonable conclusion that in the case of villages in which proprietary status resulted, in the manner sketched above, from the gradual degradation and curtailment of political authority, or in the case of those whose founders belonged to clans imbued with aristocratic traditions of political status and functions, ancestral shares would be recognised and followed in the original distribution of land among the founders. In such cases the inchoate ownership of land would imply the enjoyment of dues, services and feudal privileges; perhaps also of some vestiges of political power over and above the mere right to appropriate a certain share of agricultural produce. On the other hand, cultivation was perhaps more of a burden and a responsibility than a privilege, while failure to develop the area of villages and to bring it under cultivation would involve expulsion by the rural magnate or his local deputy, or else the forcible introduction of outsiders who were capable and industrious. Distribution of the area in shares clearly would enable a family of non-cultivating landlords of this class to meet such responsibility more easily, and would tend also to prevent friction and trouble in the collection of produce and in the enjoyment of dues, services, etc. It is the same history of land settlement and demarcation of rights that is to be found in the occupation of Gaul and adjacent provinces by

the Gothic and other tribes from the North after the breakdown of the Roman Empire.

**Rajput Pattidari Villages.**—Up to a comparatively recent period the Rajput clans with their aristocratic and political traditions regarded the work of tillage as one entirely beneath their social status, to be left to Jats, Sainis, Arains and others of lower rank. The idea now, of course, is disappearing rapidly, but is by no means even yet extinct. It is among Rajputs that those villages are principally found which were held originally on a system of ancestral shares and which probably may be called *pattidari* villages. In the great majority of cases they were founded by an individual. After his death his sons or grandsons proceeded to divide a considerable portion of the village area among themselves on ancestral shares, the remainder being kept joint or *shamilat*.

**Vestiges of Feudalism in the South.**—In the Deccan, the proprietary bodies called the Thalkuris were the result of the settlement of tribes and clans of invaders from Northern India of Scythian origin who drove Dravidian enemies before them into the Southern districts which they hold. They were at the outset like the present-day Rajputs, averse from agriculture as a degrading pursuit, and left the work of cultivation to be done by their vassals, the present-day Kunbis, corresponding to the Rajput Kardias. Under the *régime* of heavy village assessments and the farming system, the landlords sank to the position of *mirasdars*, government tenants, albeit of a favoured class, yet still clinging with passionate devotion to their ancestral fields, and the *upris* were created, mere tenants-at-will, cultivating government lands at a yearly rental. Vestiges of the manorial growth of dominant families over the peasantry are found in South India in villages established by a succession of immigrants of a peculiar agricultural race (Vellalau) from North Kanara and elsewhere, who with difficulty were induced to settle by the promise of exceptional privileges and a permanent interest

in the villages they established. There are evidences of their mode of allotting the lands each year for cultivation, and of sharing profits. In some cases they actually divided the shares on the ground permanently.

**Traces of Dravidian Organisation.**—As regards origins there is not much difference between *zamin-dari* or landlordism proper, and the overlordship or virtual proprietorship of co-sharing families over a village or group of villages. Superior non-cultivating families, individual grantees, local magnates, or mere usurpers, gain in the village a petty overlordship as greater chiefs gain it over a wider territory. Such features of landholding are associated with Dravidian, Rajput, Mahratta, Sikh or Nair chieftainship in different parts of India and in different epochs of Indian history. The Dravidian organisation has affected the land tenures of a large portion of Central Provinces and Berar, where the *zamindari* estates are the surviving traces of the chiefships held by Gond chieftains. Besides the system of a ruler and subordinate chiefs, as in the feudal order, the Dravidian-Gond organisation included the royal demesne called *majhas* land, which was worked by cultivators who were given rent-free land for this purpose. This system therefore closely corresponds to the Teutonic manor. Such quasi-feudal tenures have strong survivals in Chota Nagpur and Malabar. Originally the whole table-land of Chota Nagpur, peopled by the Munda race, was divided into *parhas* or rural communes and presided over by a divisional chief called the *raja* or *manki* of the *parha*. It seems that the Munda-Dravidian village organisation is of the autonomous rather than the feudal type, and the influence of the *parha panchayat*, presided over by *manki*, *kartaha* or *mukhya* or headman, rather than a lesser chief, is decisive, though the imposition of a fiscal headman is a result of centralisation. Throughout Chota Nagpur we find aboriginal

headmen everywhere. In some areas the *mundas* and *mankis* still exercise important rights which have been obscured elsewhere as a result of feudal overlordships, or of the present policy of centralisation. In the Kolhan, the *munda* is the village headman, and every village has a *munda*. He is responsible for the payment of the full rent of his village to Government, less the commission due to the *manki tahsildar* and himself. He settles an abandoned holding or uncultivated land. On the other hand, he has no right to obtain any remission of rent because of *ryots* absconding or failure of crops, or for any other reason. The *munda* is responsible not only for the collection of the revenue, but also for the police work of the country, for looking after the jungles, trees, roads and irrigation work within his jurisdiction; in fact, for all the work that is done elsewhere by the subordinate staff of Government and local bodies. The *manki* is the headman over a group of villages, and his duties in his *ilaka* are the same as the *munda*'s in his village. The position of the aboriginal headman originated in the old tribal communism. Later, he became a representative between the clan and the overlord. On the one hand, he was held responsible for paying the rent and keeping his kindred in control, and, on the other, he stood between the people and the emissaries of the feudal landlords. Sometimes the vestigial remains of the early *rajas* or overlords are evident. In other cases the communal form of village organisation is exhibited in its pure form without the intrusion of feudal incidents. Like the Gonds in Central Provinces and Berar and the Mundas in Chota Nagpur, the Oraons and the Kandhs in Orissa evolved an elaborate system of tribal territories and subdivisions, through a system of military aids, investiture of the tribal chiefs and patriarch by the *raja*, and other feudal incidents. The *paiks* or men-at-arms, grouped under the *sardars* and the *senapati*, and located at

the forts on the border were given rent-free lands and exempted from all payments in kind. Similarly, there were also the *khandaits*, military chiefs of all grades, who kept the marches or were located within the king's demesne. Some of the hill states in Orissa were protected by the forts at which the chiefs resided, and hence the territories came to be known collectively as *Garhjat*. These now have become the Tributary States or *Mahals* of the Regulations and are under political control only.<sup>1</sup> Though the necessity of military service has passed away, the whole system of the feudal tenure overlordship and fiefs still exists in the feudatory states of Orissa.<sup>2</sup> In Malabar, as in the Dravidian territory, we find the *raja* occupying the central territory and lesser chieftains grouped around him in sub-feudal relationship. The outlying districts of a conquered territory, in the Dravidian scheme, usually were occupied by chiefs (*ghatwals* of Chota Nagpur and Southern and Western Bengal, and *poligars* of Southern India) who were wardens of extensive marches, and their successors at this day occupy the position of considerable *zamindars*. The village or family groups aggregated into unions called *nadus* with some kind of chief, acting in assemblies, represent clearly in South India the same continuity of the Dravidian system of central Government of chiefs or *rajans* graded in a quasi-feudal order and superimposed upon a primitive republican system. The Nairs, Naiks, Nadavars and Bunts in the South-West coast of India obtained petty chiefships by conquest and satisfied the lesser members of their own order with special holdings of land, putting down the cultivators into the place of tenants. Serfdom was a universal institution in Malabar. In Coorg the royal

<sup>1</sup> See Baden-Powell, Vol. I, p. 564.

<sup>2</sup> For a detailed survey of Gond, Khond and Munda-Dravidian village tenures, see *Democracies of the East*, Chap. XIII.

demesne (*parniya*) was cultivated by serfs. As in the Dravidian territory in the North, there was a general overlord who took a revenue besides the produce of the royal lands. When there was no overlord, the chiefs, holders of *jamma* land, paid nothing.<sup>1</sup> Such chiefs had their group of villages under them called the *kombu*, which corresponds to the *nad* of Malabar and Mysore and the *parha* of Chota Nagpur.

Large estates belonging to single owners in Central and South-Western India thus owe their origin in many cases to the strong Dravidian rule by chiefs and their *sardars*. The Dravidians, indeed, founded and consolidated the present land revenue system of India. The Muhammadans, the Mahrattas, the British have grafted successfully on the Dravidian village organisation their own officials, *patels* or *deshmukhas* or *pandyas*, for the systematic collection of the revenue or utilised the old officials, the *manki* headman and Dravidian accountant. They were also ready to recognise the hereditary rights of certain leading families, "proprietors" or landlords, who built the forts round which the huts of the villagers cluster and continued the *jagirs* and smaller grants.<sup>2</sup>

**Rajput Organisation in Northern India.**—The Rajput organisation has made itself felt throughout Northern India, including Kathiawar, Ajmere and North Bombay, as the Dravidian has persistently prevailed in the South. The Rajput rulers and their chiefs with their armies of clansmen were bound together in a quasi-feudal relationship. The ruling chief took the proceeds of the revenue or grain share of his own domain only. The chiefs, *thakurs* and *raos* or minor chiefs subordinate to him, paid him no land revenue, but fees on succession and feudal

<sup>1</sup> Russell: *Tribes and Castes of the Central Provinces*.

<sup>2</sup> Baden-Powell, Vol. III, p. 159.

dues, and, like the *raja* in his estate, claimed a right to a share in the grain and some other cesses from the landholders, the bulk of whom were non-Rajputs. Indeed, this is the reason why there has been no growth of the landlord villages in these areas. The system of sharing or dividing the conquered territory into feudatory estates did not extend beyond the main or upper grades of the organisation—the heads of the chief branches of the clan. Thus the organisation was different from that of the Sikhs. There were further shares or small allotments of land to leaders of troops and so forth, among the *Misls* in the Cis-Sutlej states of the Punjab.<sup>1</sup>

**Origins of Recent Estates.**—Landlords' estates in more recent times arose in India from many causes, such as from revenue-farmers being recognised as landlords (as in Bengal, Bihar, North Madras, parts of the United Provinces and Bombay, *khots* of Konkan); from territorial chiefs, where tributes were converted into revenue (as from the *poligars* of Madras and Gond chiefs of the Central Provinces); from grants of *jagirs* for military or other services (as many of the Oudh *taluqdars*) and, lastly, from acquisitions through purchase or mortgage of estates by bankers or capitalists. The landlords with whom settlement was made by the British Government accordingly differed not only in social position but also in the title by right of which they held their lands. Some were in fact not only revenue-collectors, but also hereditary territorial magnates. But, generally speaking, the result of the settlement was to place all landlords on a uniform legal basis and to obliterate the differences in the customary status which had grown out of differences of origin. This led to grave injustice. In Bengal, with few exceptions, the result of the Permanent Settlement was the ruin of the territorial mag-

<sup>1</sup> Baden-Powell, Vol. II, p. 325.



nates, some of whose predecessors ruled in Bengal prior to Akbar's conquest, and who more or less enjoyed an independence subject to a tribute or land-tax to the representative of the Moghul Emperor.<sup>1</sup>

### **Surviving Village Community Rights in Land.—**

But, either in a feudal or an imperial scheme, there never was any notion of the ownership of the soil vesting in anybody excepting the peasantry. The common ownership in the case of the pastures, ponds or tanks was not allowed to be usurped by the landlord. Among a dense population a very large stock of cattle cannot be maintained, so that the common village pastures were sufficient and the harmful common grazing rights with which we are so familiar in the economic history of medieval Europe did not develop here. In India, village customs emphasised the partition of communal pastures and woods as illegal throughout, and the village communities were empowered to restrict the rights of use, and, if necessary, to levy a toll for cattle-grazing, which was to go towards the maintenance and improvement of the woodlands and the general expenditure of the country. In Bihar, Chota Nagpur, Orissa, and the Central Provinces, the *zamindars* or *malguzars* have encroached upon or restricted *nistar* rights in the village waste, and this is no small cause of friction between the landlords and tenants in different districts. In many areas in Bengal rights to graze cattle in common meadows by the peasantry of a particular village, however, still survive. Whether the landlord has power to abrogate these rights or the tenants can still maintain them is still open for the Civil Courts to decide. As regards rights of irrigation from tanks, there are two methods of exercising these rights.

<sup>1</sup> For the tragic downfall of the ancient Bishnupur Raj, see Robertson: *Bankura Settlement Report*, Chap. V; among other defaulters were the Rajas of Nadia, Rajshahi and Kasi Jora.

First, permanent or temporary channels are excavated to convey irrigation water to a distant holding, and the tenants whose holdings lie in between cannot obstruct. Secondly, there is also irrigation of holdings in lowlands by inundation, and the tenants through whose plots the inundation water is led cannot raise ridges, obstruct *ails* being pierced nor otherwise stand in the way of such flooding. Rights of priority have developed as regards irrigation, as also customs regulating the methods of irrigation by canoe-shaped vessels or by flooding in terraced fields. In districts in Eastern Bengal and Assam where whole areas are under water for several months in the year, the yields of rice and jute depend on the level of the flood. There has developed accordingly a code of customs and usages which harmonise the conflicting claims of different villages along the main river or the diverse water-courses, *bils*, etc. At a certain stage of the inundation there arises a conflict between fishing and communal irrigation rights. The fishing suffers if the flood-level exceeds a certain height. On the other hand, the long-stemmed varieties of rice cannot yield a bumper harvest if the flood-level be low. The adjustment that village custom aims at is to secure such level of water as would serve the interests of both agriculture and fishing. Modern landlordism has assumed the rights and functions of the village community and turned them to the suppression of the peasantry. The *ryots'* permanent rights of occupation at customary rents, their rights to excavate tanks in their own holdings, rights to the use of water and of fuel and timber—all have been effaced within recent memory. Their rights to build houses, to trees and to tanks so long resisted by the landlord have been recognised only by the recent Tenancy Amendment Act. Common meadows and pasture lands have been let out. No new tanks are dug. The old tanks are left in a chronic state of disrepair. The landlords seldom clear the silt or

re-excavate. Sometimes they encourage the silting up of tanks so that the formation of new paddy-fields may add to their rent-roll. Even *debottar* and *pirottar*, rights which have been sanctioned by long-established custom and the authority of religion, are resumed and let out. In Bengal, Bihar, the United and the Central Provinces, we find the same story of mistake and its rectification, according to which full proprietorship was first given to *zamindars* and *malguzars*, suppressing the rights of the village communities and the peasantry; later however, occupancy status has been re-established to a certain extent. But upon the unprotected tenants the effacement of immemorial rights has inflicted irreparable injury.

**Abuse of Protected Tenant Right.**—The conferment of protected tenant right with security of tenure and restricted transfer has led everywhere to the evils of *nazarana*, or the uneconomic practice of the extortion of a large sum by the landlord in consideration of his recognising the status of the in-coming tenant, while there also has arisen the custom of sub-letting at high rents. The latter practice has led to the emergence of a new class of unprotected tenants, below the legal peasant line. These formerly were settled by the village communities in meadows and unreclaimed lands; but, when such lands have been usurped, these settlers have been left helpless. As we shall see later, it is this unprotected inferior peasantry pressing upon the land which is the fruitful cause of under-cultivation and unsettlement.

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## CHAPTER IV

### BREAK-UP OF THE VILLAGE COMMUNITY

**Feudal and Communal Villages and their Agriculture.**—The above survey of the evolution of the Indian agrarian system shows the predominance of rural communalism, though the economies of conquest and the farming of the revenue have left deep marks on this scheme. The village commune in India is far different from that in Russia and Central Europe. In India there had been no rigid communal routine of agriculture, the emancipation of the peasants from which was the chief cause of agricultural development among the nations of Central Europe. Throughout the West membership of a village community entailed a certain restriction of individual rights. In the first place, one portion of the land was cultivated for the account of the lord, while another portion was in the hereditary occupation of the peasantry. The lord's land had to be tilled and that, in the first place, was the duty of his tenants. There were also many other services and dues incumbent on all estates. In India the village community never was subjected to these feudal burdens. All that ancient custom imposed was a fixed share of the produce given to a king or chief in consideration of the protection he gave. Even under the feudal scheme the landlords had no unrestricted powers of sale and transfer of land, or levy of compulsory service. In the second place, the medieval husbandman in Europe was not free to sow and reap what and when he pleased, nor might

he put a permanent fence round his fields ; he was subject to what the Germans call *Flurzwang*. By a certain day his crops had to be got in ; all the fences then were removed and the land became common pasturage. Once again, and for a longer time, the land was turned into common pasturage during the period when it had to lie fallow, which in those days, when the " three-field system " was much in vogue, was once in three years.<sup>1</sup> In their case the disappearance of the commune means the doing away with the three-field system, the introduction of the rotation of crops, the multiplication of live-stock, its rational feeding, etc. In India intensive agriculture and the rotation of crops were quite compatible with rural communalism, which allowed separate ownership in the cultivated land, insisting on common ownership only in such necessary cases as the pasture, ponds or tanks, etc. The cattle seldom were allowed to graze in the arable fields. The common pastures never were stinted or limited. Great increase of population could result from the essentially vegetable diet and the omission of animal-raising. Thus the village pasture-lands were sufficient for the number of animals maintained. On the other hand, not only could there arise no grazing rights over arable lands such as were so detrimental to European agriculture, but also the intensive farming that was adopted rested on the value of manure of cattle tethered periodically on the fields. In India village custom emphasised the partition of communal pastures and woods as illegal throughout, and the village communities were empowered to revise the rights of use and, if necessary, to levy a toll for cattle-grazing which was to go towards the maintenance and the improvement of the woodlands and the general expenses of the community.

<sup>1</sup> Irvine: *The Making of Rural Europe*.

**Closed Field System Unsuitable for India.**—Nor are hedges necessary in India as they are in the West, where they mitigate drying and scorching winds which are bad for the crops. Secondly, the use of fences would upset in India the continuous inundation and drainage of the village fields without which rice cannot grow. Agriculture which depends on the monsoons cannot be carried on for a single day under the closed-field system. Lastly, the abundance of land in India prevented the rise of a class of squatters like those who in England, for instance, had seized and occupied land without any legal title. With enclosure the holding or right usurped by such people generally had disappeared and they deteriorated socially. This brought with it grave moral evils and created divisions and antagonisms of interests from which England is suffering to-day. The system of land-holding in India permitted the original colonists to distribute a portion of the waste among new settlers, who gradually were given rights of grazing, cutting firewood, etc., from the undivided commons.

**Indian Peasantry's Insistence on Common Rights.**—Thus the evils of the common lands and wastes which led to the legislative attack in England, and which hindered the progress of farming and cattle-breeding throughout the Continent, were not seen in India. Here, on the other hand, the free disposal of pastures as a result of encroachment of administrative policy has proved detrimental to the type of farming prevalent among the Indian peasantry. The village communities always have felt the disposal of meadows and grazing-grounds to be a usurpation of their rights. Nowhere is the adjustment between individual and communal rights in common lands and forests more carefully and equitably secured than in Southern India and in Chota Nagpur, the strongholds of the Dravidian stocks. Through-

out Chota Nagpur the cultivators still possess the right to take wood from the common forests in reasonable quantities for their own use for house building and house repair, for agricultural purposes and for fuel, free of charge. These rights are subject to the general control of the *munda* and *manki*, and no big tree can be cut without their permission. No fruit tree while alive and bearing fruit can be cut by any one. The cultivators have no right to take any wood for sale. The personal rights of the *munda* and *manki* differ in no way from those of other cultivators. They exercise control in their official position, but the rules which they apply govern themselves also. The cultivators have the right to graze cattle free of charge and without seeking permission, but only the genuine agricultural cattle of the village. In some areas the right is subject to temporary restriction, to allow of any area of jungle recently coppiced to recover for a year before cattle, and more particularly goats, are brought to graze in it. Professional graziers have no right to free grazing in the village jungles. Goats and sheep may not be grazed at all in the jungles, since they do much damage. The same grazing rights exist in the waste lands and on cultivated lands after the crop is cut, and extend there to goats and sheep. The cultivators have the right to take minor forest produce free of charge, such as jungle fruits, *mahua*, *chop*, and thatching-grass. For *lac* and *tassar* some fees are paid. All *ryots* have the right to reclaim village jungle and waste land within the village, but they must take settlement from the *munda*. All new reclamation, whether *korkar* or upland, is enjoyed free of rent for three years. After that the *munda* and the *manki* can settle a fair rent on it, of which each takes half, but in practice this right of assessment is seldom exercised. No non-resident cultivator, even if he is a settled *ryot* in the village, has the right to reclaim, for he is not considered to belong to the village community. Even where

there are large estates, the tenants still claim their privileges with regard to jungles. In Ranchi, Manbhum and Singbhum, friction between the *zamindar* and his *ryots* often has arisen over jungle rights. The landlord attempts to break down customary rights in jungle by leasing it entirely to contractors. He also imposes grazing fees upon his tenants. Where he does not do this he gives a registered lease of the grazing of all the woods and barren lands of his village to some professional herdsman and leaves him to prevent the village cattle from grazing on them, thus asserting a monopoly on the pasturage. In the Dhalbhum estate, on the Midnapur border, a peasant movement has been started which was directed at first against the cutting of jungles by landlords or contractors. It now advocates the withholding of *banker* rent, of jungle cess in any shape to the landlord, and the unrestricted use of the jungles by the *ryots*.<sup>1</sup> In Chai *pargana* in Hazaribagh the cultivable lands are divided among the *Bandawat* caste into a certain number of units (generally sixteen annas) and each *ryot* is assessed to rent according to the number of annas or the fraction of an anna which the community decides his land to represent. New lands are brought under cultivation with permission taken from the village community, which is locally called *solah anna asaman*, and not from the landlord, and, when reclaimed, are assessed to rent by the community, and each *ryot* takes the share of the rent proportionate to his cultivation in the village. The landlord has nothing to do with the assessment of the *khandwat*: he can only get rent for it indirectly by periodic enhancements of the anna rent as cultivation extends. Besides the land cultivated by the

<sup>1</sup> *Land Revenue Administration Report of the Province of Bihar and Orissa, 1922-23.*



individual *ryots*, there are joint lands cultivated in common, such as the beds of tanks after the water has been let out, sugarcane fields which are more economically cultivated in large than in small blocks, and fields of thatching-grass. Each *ryot* contributes his share of the cost of cultivation and receives his proportionate share of the produce. The flowers of the village *mahua*-trees also are collected jointly and equitably divided. The community provides service-lands for the barbers and blacksmiths out of the common stock. The landlord is allowed no right of interference with the internal management of the village. His title to the sixteen annas rent is admitted by the community and nothing more. If the landlord holds any relinquished holding personally, he receives the same privileges as a *ryot* for the period of holding and is given the proportion of rent of *khandwat* lands which ordinarily would fall to that holding and the due proportion of *mahua* flowers.<sup>1</sup>

**Blight of Non-Cultivating Rent-Receivers.**—In India the importation of modern notions of property and land tenure has destroyed equal rights with regard to common woods and pastures and the obligation to maintain and improve the common lands and the village public works. The common employment of carpenters, blacksmiths, cow-herds, field-labourers, irrigation-men or of the social functionaries such as barber and priest, also has been discouraged. The artisans, watchmen and other functionaries have disappeared, and their rent-free lands have been assessed and have become ordinary *ryoti* land. In many areas the holding which was formerly treated as the perquisite of the village headman has lost its special character and been included in the village *ryoti* stock. All this has reacted unfavourably on the Indian type of peasant-farming.

<sup>1</sup> Sifton: *Hasaribagh Settlement Report*. 1917.

Withal there has been an increasing growth of the rent-receiving classes who devour the profits of agriculture. In Western Europe the feudal system was beneficial so long as the feudal lords themselves engaged in agriculture; it ceased to be beneficial when matters changed in this respect and the lords became mere receivers of rent. But where such a change did not come about—and it was not universal—the feudal system always retained its favourable aspect. In India superior landlords in many areas have their *khas* cultivation and exact compulsory labour (*begar*). In the Chota Nagpur and Kumaon districts in particular, the smaller landlords are especially exacting in their demands for *begar*. Whether in Oudh or in Bihar and Orissa or in the Central Provinces, wherever the peasant is unable to perform the processes of agriculture at the opportune times, on account of being required to attend first to the *sir*, *nit-jot* or *zirat* lands of the landlord, it inflicts a serious hardship. Feudal obligations of this kind discourage peasant agriculture, and the tenants should be liberated from them. Landed proprietors of various grades and classes lease their lands to farmers or peasants. The wealthier peasants own more lands than they can cultivate and sub-let them. The smaller peasantry are left with limited land and capital, and a considerable number of them have holdings too small to support themselves and their families, and therefore must either hire themselves as agricultural labourers to the landed proprietors or richer peasants, or else migrate into industrial employment, leaving some members of the family to cultivate the holding. The recently developed industries of India have been manned largely by work-people who retain a connection with rural life in this way.

### **Strength of Village Communalism in Northern India.**

—On the other hand, the village communalism, which still is vigorous throughout Northern India and in parts of the

South, has been able to resist encroachments on the equal privileges and position of the peasantry and their shares in both pastures and undivided areas, which are disposed of according to a fixed communal scheme. A sense of tribal, caste or clan solidarity, which later is superseded by economic ties when strangers are introduced, as well as the *panchayat* system of local government, has contributed to maintain their communal spirit. Indeed, these communities have been strong enough to resist the payment of revenue to the Government of the day, and before the British rule nothing was more common than for them to decide their disputes by petty wars against one another instead of having recourse to any superior authority to settle them.<sup>1</sup> In Northern India the British Government has combined detached holdings by granting a large area of valuable waste to be enjoyed in common and by creating joint and several responsibility for the land-revenue of the entire village, and in this manner sometimes has helped to bind the peasantry into a compact body, the joint-owners, in the name of the whole area. As a rule, however, the organisation of the peasantry into village communities is the work of the people themselves, though the land policy or oppressive taxation of kings or nobles often has forced them to combine for mutual protection and support.

**Reactionary Laws in Russia.**—It is well-known that in Russia the law of 1861, which made the commune as a whole responsible for the fulfilment of all obligations towards the State, had the effect of drawing the members of the commune much more closely together, and even of causing redistribution of the land to be revived in places where it had long fallen into desuetude. Von Keussler asks: "Without the support of the communal life, how could the poor Russian peasants have maintained their existence under the heavy

<sup>1</sup> *Administration Report of the Punjab, 1872-73.*

burden of poll-tax and annuities which has been weighing upon them ever since they obtained their dearly bought freedom? Would not most of them have sold their land for next to nothing, simply in order to be rid of this heavy burden?"<sup>1</sup> The emancipation did not modify the *mir*, and throughout the greater part of European Russia the peasant's land remained subject to periodical redistribution and was held by each individual in scattered strips. At the date of the emancipation about three quarters of the acreage allocated to peasants in European Russia was held by redistributing rural communes (Pavlovsky). In 1906, the epoch-making ukase was passed, which went directly against the principle of the evolution of the *mir*. It was based on the principle of individual property and individual cultivation of the land. It created a body of more substantial peasants, by enabling those who wished to do so to leave the commune and have their numerous strips, scattered all over the communal area, consolidated and made freehold. It thus resulted in a differentiation of a portion of the peasants, forming a strong landowning class of farmers, while at the other extreme were the peasants who constituted the proletariat, and who flocked to the cities or emigrated to Siberia. In Northern India, the revenue settlement which created "absolute landlords" and "absolute individual proprietors" against agricultural usage similarly led to an obvious injustice based on an error. In Russia, it is the great discontent of the wretched peasantry, who found that the hopes they were led to entertain by the economic idealists were fallacious, that fed the fire of the Russian Revolution.

**Pre-emption Right of the Indian Village.**—As in Russia, we have in Northern India groups with their sections of land or communes within the commune. The customary law in the Punjab gives a member of the village community,

<sup>1</sup> Quoted in Pierson; *Principles of Economics*, p. 809.

and of the section (*patti*) of the community, a preferential right to a bargain. This counteracts the otherwise disintegrating effect of the free power of sale and mortgage of land. The common possession of the *Shamilat* land, wells and irrigation channels and the participation in the village or its management, as well as the payment of village dues, are deemed by the Courts sufficient to prove the existence of the village community for the purposes of the exercise of pre-emption, even though the revenue is distributed over the number of ploughs according to which the village is divided into sections. Both in Agra and Oudh the right exists in village communities, whether proprietary or under-proprietary, and irrespectively of race or religion.

**Remedial Legislation in the Punjab.**—The Punjab Land Alienation Act of 1900 and the Pre-emption Acts of 1905 and 1913, however, have been unable to check the disintegration of the communities in the face of the legal and judicial changes which have altogether transformed village relationship, and subjected the customary rules to definitions as precise as could be interpreted by the lawyer or his agents. Thus the lawyer and the money-lender flourish by taking full advantage of the opportunity to exploit the ignorant peasantry.

**Punjab Settlement and Confusion of Land Tenures.**—In the Punjab, there were two modes by which the modern settlement obliterated the communal type of agrarian distribution. In the first place, property in severalty, based solely upon actual possession, was introduced in recent times. The peasant who was one of a group of co-parceners in the joint villages of Northern India, and could not alienate his land without their consent, was treated as "owner" of his and other land occupied by tenants which the village had settled. Again, the co-parcenary communities were encouraged to divide their respective responsibilities for the revenue according to the assessment of their

respective shares. Further, the headman, who had much the same status as the rest of the proprietors, was unwarrantably given an undue authority which was abused. In the words of the lampoon preserved for us by Mr. J. Wilson in a report on the settlement of the Sirsa district :

"Rakhe ae sabbhe bhai.	"All the brothers came together,
Suni unhan bar basai	They settled the desert prairie
Ik de sir te pag banai.	And put the turban on one man's
	head.
Oh bangaya lambardar :	He became headman :
Hakim usnu hukum sunaya -	The Ruler issued orders to him
	only—
Lambardar iman kharaya.	The headman lost his good faith,
etc.'	etc."

Among co-proprietors having much the same rights and the same burdens, not only the distinction between cultivators and non-cultivators was emphasised, but also the peasantry was divided into tenants-at-will, occupancy tenants and proprietors with very different rights and holding very different positions.

**Bengal Permanent Settlement, its Mistake and its Consequences.**—In Bengal the mistake of the Permanent Settlement was that the *zamindars*, who were only landholders, were identified with the English landlords, real proprietors, and the rights of tenants were, in the words of Field, so "completely effaced that at present it is difficult to find a single vestige or ascertain what they were." This mistake subsequently was repeated in more than one province. The Government first created the middlemen, called them landlords, and wresting some of the immemorial customary rights of cultivators, gave these to the landlords as guarantee of punctual payment of the *kist* of the *sarkar*. The Government, by forced sale and attachment, reduced most of the great *zāmindars* of Bengal during the period of about 20 years following the Settlement

to "distress and beggary" ; the Government then gave the power of distraint, copied from English law, to the *zamindars* to relieve their "distress", which power they scandalously abused.<sup>1</sup> But even the passing of the obnoxious laws of *Haptam* and *Panjam* could not prevent the sudden and tragic downfall of many of the ancient and noble families of Bengal. The land revenue assessment was too high, and the entire revenue could not be realised by the *zamindars*. The estate management was inefficient and dishonest. There had been a large alienation of lands for devotional purposes, and for the support of Brahmins and temples, which decreased the income of the estates considerably. Thus default became quite common, and the Sale Law, the unpopular Sunset Law as it was called, operated harshly. Gradually a new class of *zamindars* arose, who could manage better. The estates were split up into manageable units. Cultivation extended and waste lands were reclaimed. But the new aristocracy became exacting collectors ; they paid no regard to customary rents at the time of enhancement or new settlement ; and soon the *ryots* in many tracts were at the mercy of competitive rates and illegal cesses. The Government, now finding it necessary to protect the well-recognised but violated rights of the *ryots*, passed a series of measures which were more stringent than were found necessary in the temporarily settled areas. Latterly the Government, denying that any increase of cultivation or good to *ryots* came from *zamindari* management, held that the landlords should be deprived of the unearned increment, or at least a large portion of it, which should go to the State in the form of petty imposts, such as road cess, a percolation cess, an irrigation or even a railway cess, besides the extra amount which they have to pay as taxes on their income. With

<sup>1</sup> Hunter: *Bengal MS. Records*, Vol. I, Chap. V.

the decay of the village community, brought about as a result of the recognition of *zamindars* as proprietors, they assumed the rights and functions of the village community, but turned them to the oppression of the peasantry. The arrangement for payment of the revenue was changed; the *ryots* being considered more or less severally liable for the revenue. A similar story of mistake and its rectification is true of the modern settlement in the Central Provinces, according to which full proprietorship first was given to *malguzars*, but later occupancy status has been established and the rents of occupancy tenants and tenants-at-will fixed at the Settlements.

**Madras Settlement and the Error of State-Zamindari.**—In Madras what brought about the suppression of rights of village communities was not the *zamindari* system but State-zamindari. Munro ignored the village communities, and yet these still survived and collected the royal as well as the rural revenues, as the Fifth Report declared only thirteen years before Munro wrote his minute. He introduced individual assessment.

Inheritance, transfer, mortgage, sale and lease were left without restriction, and the modern system of settlement, which dates from 1855, differs from Munro's in giving the *ryot* absolute freedom to relinquish his land, which destroyed the nature of a co-parcenary community that all along maintained the rights of entail, pre-emption or pre-occupations as well as rights over the common lands and the waste. "Waste land may be taken up by any person, and once granted to a raiyat [*ryot*] it is his as long as he pleases," declared Munro. Nor were the rights of individual proprietors, now bolstered up, protected against assessments. There remaining nobody between the Government and the individual *ryot*, the encroachments upon the rights of the *ryot* proceeded slowly but systematically. Munro based the Madras system on an error and the error spread



to Bombay. It is well-known that the early assessments in Madras, Bombay and most other provinces were too heavy and caused agricultural distress. At each periodical settlement the officials found that the Government were entitled to a larger share of the produce.<sup>1</sup>

**Summary of Causes of the Break-up of the Indian Village Community.**—Thus, whether by the creation of rent-collecting landlords as in the *zamindari* settlement, or by the Government claiming itself to be the legal owner of the soil and collecting revenues direct from the peasants, as in the *ryotwari* settlement, the village communities have shared in the common decay and the peasantry, deprived of the protection of the village system, have been reduced to individual impotence.

There is another way in which the status of the peasantry has suffered. Throughout India the undivided village common lands lie open everywhere for the common use. Sufficient interest and care in preserving them from encroachment have not been evident, and these common lands not seldom have been assigned to individual proprietors. The appropriation of village commons has contributed not a little to the decline of live-stock in India. From very ancient times there has existed in every part of India an elaborate organisation of village functionaries, artisans and labourers in common employment of the whole village who were given rent-free lands for their service. Such lands sometimes have been allowed to be usurped. The recent centralisation has proved inimical also to the time-honoured system of village self-government. Formerly the village artisans and labourers were under the direct employ of *panchayats* and were remunerated by shares in the crop or by allotments of land at little or no rent. Now the ten-

<sup>1</sup> See Sankaran Nair's remarkable articles in the old issues of *The Madras Review*.

dency has been to free them from their obligations to the village communities and make them responsible to an outside authority. The mutual relationship between the peasantry, the village community and the artisans has been upset, and this has brought about widespread disunion. The creation of landlordism, the conversion of occupants into full proprietors, and the emphasis of distinction between superior proprietors and under-proprietors, have been the result of misunderstanding of the traditional Indian land distribution. This has resulted on the one hand in the lowering of the economic position of the peasantry and the increase of a class of capitalistic rent-receiving middlemen, leaving practically no medium between the village community and the *ryotwari* villages of the Presidencies of Madras and Bombay. Further, the system of individual assessment and collection of revenue has not only let loose a swarm of revenue subordinates on the districts, but also has added greatly to the cost of administration. Finally, the suppression of the rights of the village communities, whether by landlords or by the State, has left the peasants without economic support from their class. That balance of the inevitable conflict of claims of individual proprietorship, on the one hand, and the interests of the village groups on the other, to-day is absent as a general rule. It is obvious that such a balance, which will have to be in the nature of a compromise and which will vary according to local conditions and circumstances, cannot be effected through the machinery of centralisation. Village customs and usages become stereotyped and would not adjust themselves to new needs in India as they might do, for instance, in modern Japan. Thus, co-operative or equalising rules in agriculture, which would have been evolved by the village communities themselves, if only they could have unarrested development, now are being framed and sought to be put in operation by the State machinery, though without much

effect on the peasantry. And yet, in a country where the margin of productive land which can be used for other than arable purposes is very small as compared with other agricultural countries, the coming conflict between superior or inferior proprietors and the landless peasantry, and the evils of subdivision and fragmentation of holdings, can be resolved by a mutually agreed give-and-take policy only, which a local, communal organisation alone can initiate and effectively carry out.

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## CHAPTER V

### FRACTIONALISATION OF HOLDINGS

#### **Problem of Partitioned and Scattered Holdings.—**

From ancient times the village community has secured such a distribution of plots among the cultivating families that several kinds of land suiting various climatic conditions have been allotted to each. This has brought about a scattered field distribution in India, which has minimised the risks of failure of crops for the individual cultivator. The village community has also devised measures for making holdings compact as far as possible. With the multiplication of population in the last few decades, the wide spacing of holdings, instead of being an advantage to agriculture, often has become an obstacle to efficient farming. The evil of excessive fragmentation has been the result of the agnatic principles of succession among male heirs and the desire of equality, each co-sharer on a partition insisting on a separate share in each quality of land in the village. Formerly the cultivation unit was the joint family, land and partition was uncommon; now the economic solidarity of the joint family has been affected by the importation of individualistic notions of property. Indeed, the tendency towards subdivision, which has been manifest in India during the last few decades only, has been the outcome of the interpretation of Hindu and Muhammadan law by English judges, with their strong predilection for individual succession to and private enjoyment of rights in land.<sup>1</sup> It now may be necessary to check repeated partition and wide distribution

<sup>1</sup> For a full discussion of this question, see Mukerjee: *The Foundations of Indian Economics*.

of scattered holdings by modifying the law of succession. The danger of *morcellement* has been found in one of its worst forms in France, where the peasantry limit the size of families to maintain a not very high standard of living. In parts of Spain it is not uncommon to own and farm 16 or 17 acres divided into 80 to 120 plots scattered over a radius of three miles, and in another part (Vigo) there are many isolated parcels of 35, 25 or even 12 square yards.<sup>1</sup> The problem thus is not peculiar to India, and everywhere the social and economic effects are much the same.

**Anti-Partition Legislation in Europe.**—Let us examine briefly the attempts made by the agricultural countries in Europe to check repeated partition and wide distribution of scattered holdings. In Germany the law encourages the practice among peasants of succession to undivided properties by the creation of a preferred heir (*Anerbe*). The laws creating an *Anerbenrecht* seem to be generally facultative, i.e. permitting, but not compelling, the registration of a property as subject to their provision; they apply to intestate succession only, and then give the one heir who takes over the property no more than a certain preference in the proportion he shall receive (varying from state to state), directing that the others shall be compensated according to the agricultural profitability of the estate and not its selling value. Partly for this reason and partly because the single recipient is given a larger share to begin with, the new law somewhat lessens the tendency of the peasants to incur debt on succession to a property. Nothing in the law prevents an owner from disposing of his property during his life-time or by will; but the law of intestate succession undoubtedly strengthens the hold on the peasant mind of his inherited preference for single succession to the farm. In Prussia a new law was passed

<sup>1</sup> Irvine: *The Making of Rural Europe*.

in January, 1924, which is connected with the law of Reich of 1920 on family property, and lays down the rules which should govern the formation of family holdings by grants of the federal government, the individual states and the communes. It is established that the ordinary rules of law are not applicable to the inheritance of a piece of family property. This is, on the contrary, governed by special principles intended to avoid the breaking up of the property. Only one heir is to succeed to the family holding. The deceased by will appoints the heir to whom the family holding is to pass, or the heirs agree as to who is to inherit the family holding, and this agreement is brought to the knowledge of the competent tribunal within six months of the determination of the estate by a public deed certified true, or by official report of the court registrar. In Denmark, the reconstituted State small holdings can be sold, but they cannot be subdivided, and the existing law puts insuperable difficulties in the way of adding one holding to another so as to make a large farm. Legally the owner can determine by his will which child shall succeed, and the value at which the farm is to be taken over and the other children compensated. To prevent the overburdening of the new farmer, the valuation laid down in the will may be below the "true value," i.e., the price at which it could be sold. There is, therefore, in the law a recognised preference for the chosen heir; as in Germany for the *Anerbenrecht*. If the parent dies without disposing of the succession by will or otherwise, the State carries through a transference on the same principles. But, in practice, the matter almost always is arranged during the parent's lifetime. The farm very generally is transferred to one of the children, after a family council which comes to an agreement as to how much the preferred heir shall pay to the other heirs, and how much to the parents, in addition to their board and the

exclusive use of some of the rooms in the farm-house. In most parts of Austria it is usual for the farm to pass to a single heir without any division of property and for a settlement to be made with the co-heirs by an indemnity in the form of a sum of money or mortgage. This practice is a survival of ancient Germanic law, the idea of which still is rooted deeply in the popular mind. As a rule, either the eldest or the youngest son inherits, according to the local custom. Even in those parts where a division of holdings is customary, it is the rule that certain shares should be disproportionately large and that the heirs who have received less land should be compensated by a money payment. Generally speaking the custom in Europe is to leave the property to a single heir, who gradually pays off the charge laid on it by the father for the benefit of the other heirs. If he finds the property unprofitable, he sells it undivided; thus the size of the holdings does not diminish.

**Protection of Small Holders in Denmark.**—In Denmark the law of 1906 forbade the reduction of the area of a peasant farm below a certain taxable value, which is roughly estimated as from 25 to 125 acres; but allowed these farms to be of four grades, a separate minimum being fixed for each grade. According to a new law which is now being proposed, "no peasant farm, as existing at the moment of the passing of the law, may be extinguished or diminished in area without the sanction of the Ministry of Agriculture, and the period for which a farm or part of a farm may be leased without the sanction of the Ministry of Agriculture, is reduced from 50 to 10 years. A small holding may not be extinguished or diminished in area below the minimum fixed for its grade, except with the sanction of the Ministry and in the public interest; evidently sanction will not be easily obtained in the case of a small holding. The four classes remain based on taxation, and equal to areas from about 12 to 35 acres; the smallest holding of rich land,

down to 2½ acres, will be reckoned in the 12 acre class. No holding may be less than 2½ acres. Three small holdings up to about 30 acres in all of fairly good land may be held by one person but the building must be maintained and no holding may be merged in another. The land is graded by official valuers and official inspectors watch over the observance of the law. Fines up to 2,000 kr. may be imposed for its breach.”<sup>1</sup> Thus the Danes are contending against the evil of excessive as well as of inadequate size of holdings. Their measures prevent the subdivision of land below a limit which draws the line between the economic and the uneconomic holdings. These also seek to protect the peasant or the small-holder from being swallowed up by the wealthy from whom they have been carefully acquiring the land for settlement.

**Russian Law Against Subdivision.**—According to the Russian Agrarian Code, 1922, the division of the lands among the family is allowed only when it is probable that new farms will be established, for the benefit of the members who are withdrawing, on lands which are assigned to them in the course of the division; if this is impracticable the movable property only is divided. To prevent such division as would destroy established farms by dividing them into too small units or otherwise impairing their efficiency the Provincial Executive Committee, on the proposal of the provincial agricultural authority, has power to issue compulsory orders for limiting the excessive subdivision of farms. The lines of these measures are laid down in advance by the Commissariat of Agriculture. A member on withdrawal from a holding which has been declared indivisible, has the right to claim payment in money or in kind for that portion

<sup>1</sup> Strickland: *Studies in European Co-operation*, Vol. II, Chapter V.



of the stock that belongs to him, but not for the land share.<sup>1</sup>

**Precautions Necessary in Indian Land Reform.**—It must be admitted that legislation of this character, though calculated to divert the surplus population from the land, would introduce a new principle into the land policy of India, where the idea of equal inheritance by birthright has taken firm root in the popular mind. But the straits to which agriculture has been reduced as the result of the disparity between the increase of population and the capacity of the soil to feed it demand a drastic remedy. At present, in the more populous parts of the country, the conditions of agriculture are such that it is no longer profitable; yet the peasant, having no other occupation to fall back upon, tries desperately to make both ends meet by continuously lowering his standard of subsistence, till he reaches the very verge of starvation. At the same time is witnessed a condition of chronic under-employment in the villages. The burden of a disproportionate amount of semi-idle inefficient labour lowers the efficiency of agriculture and delays the introduction of scientific processes and machinery. The introduction of a more elaborate rotation of crops, or of subsidiary occupations or industries of a non-agricultural character, no doubt would mitigate the problem of agricultural idleness, which always co-exists with a low standard of living. Emigration or drift of the surplus population to the industrial centres of the country similarly would re-act on the conditions of agriculture and endow the people with greater staying-power. Thus the re-organisation of agriculture and industrial development of the country must accompany schemes of consolidation. In India we are apt to be misled by the ideas and practice

<sup>1</sup> M. Tcherkniaky : *Agrarian Policy in Soviet Russia*, *International Review of Agricultural Economics*, October-December, 1924.

of English agriculture, without considering the differences of economic circumstances between the two countries. Prof. Jevons, for instance, advocates a policy of consolidation on the lines of the English Enclosure Acts. In the United Provinces the density of population is three to four times higher than in England and large farms cannot but mean expropriation and widespread distress in the absence of better opportunities of emigration and of industrialism. In England large farms, large fields, straight fences, etc., have been for long a favourite scheme of English landlords and English writers, and no doubt where there is capital and no redundant population such arrangements are very desirable; but it should be remembered that to these large farms and large fields England owes her own Poor Laws.<sup>1</sup> Thus a new land policy, inaugurated by a change in the system of succession which would divert surplus population from the land, requires to be introduced with caution, especially in regions where the density of population is extraordinarily high. Again, the scarcity of water-supply is one of the most significant limiting factors in Indian agriculture. Where cultivation depends upon the uncertainties of rainfall the scattered distribution of holdings in different soil areas is itself an agricultural advantage. Generally speaking, the holdings nearest the homestead are most heavily manured and tilled. But if there are facilities of canal irrigation, and owing to the alignment of the canal the largest and most regular supply of water reaches the outlying areas first, manure and labour will follow water and the outlying fields will be the best. It is upon the water supply that the rotation of crops chiefly depends. In many parts of India we find that two or more staple crops are grown in dispersed fields in different soil areas, so that, while a deficiency or an irregular

<sup>1</sup> George O'Brien: *Economic History of England*.

distribution of rainfall may destroy one crop, there may be favourable returns from other fields. In normal years the inferior fields produce the poorer kind of crops, including fodder crops; while, in areas where the water supply is full and fields heavily manured, the important staple crops are raised and sometimes there is double or treble cropping. Indeed, the elaborate system of crop-rotation which distinguishes Indian from Western farming has been possible chiefly because the holdings are dispersed. Therefore, schemes of consolidation which do not take into account the local water and soil resources governing the field system and agricultural practice are bound to fail. The introduction of supplementary occupation and utilisation of raw materials in village workshops would smooth the transition from the old system of agriculture, handicapped by the pressure of population, to a new economy where the soil would no longer be burdened with a population greater than it can support. In Belgium the established custom is that the peasant family deposes one of the members in an annual rotation to undertake either industrial labour in the city or agricultural labour on another peasant's land. With increased size of holdings there must also come greater facilities of credit and better equipment than these the small holder now possesses. In many tracts one of the reasons why holdings are small is that few cultivators possess the necessary capital for purchasing the cattle and equipment adequate for farming on a large scale.

Thus in India we might introduce tentatively, as a first measure, legislation which would compel all villagers to accept restripment when a majority desire it. In Austria the scheme is forced on the rest if 66 per cent. of the cultivators agree to it; in Switzerland this is done if approved by 66 per cent. of the cultivators representing more than half the land; while in Prussia and Japan a bare majority coerces the rest.

**Re-adjustment of Small Holdings in India.**—In Baroda a permissive Act for the consolidation of agricultural holdings was passed in 1920, and although it has not functioned properly and is now a dead letter, its provisions are worthy of study. It cannot be made applicable to a village excepting when two-thirds of its total *khatedars*, who are the holders of not less than half of its total land, desire to have it applied to their village.<sup>1</sup> Secondly, after readjustment the reconstituted holding, which will be the economic holding, should be regarded as indivisible. The right of pre-emption has become a customary law in many parts of India and should be made applicable to the economic cultivation unit. Thirdly, the economic holding will be held by the head of the family as family property, and regarded as impartible and exempt from seizure for debt, involving the consequence that a loan cannot be raised on the security of the holding. Fourthly, on his death a preferred heir would succeed to the undivided economic cultivation unit and compensate the other heirs according to the agricultural profitableness of the farm and not its price in the land market. It has been suggested by the Baroda Land Holdings Commission that, with a view to prevent subdivision by succession or the separation of members of joint families, the inalienable holding, when succession opens out or a separation is being effected, should be sold at an auction at which only the co-sharers or reversioners should be permitted to bid.<sup>2</sup> This practice, however, would but lead to underbidding and overburdening of the new cultivator, which would be a serious difficulty on account of the tendency of every member of the Indian

<sup>1</sup> Desai: Consolidation of Small and Scattered Holdings. *The Bombay Co-operative Quarterly*, December, 1923.

<sup>2</sup> Misra: Report on the proposed consolidation of agricultural holdings, *U. P. Gazette*, May 31, 1924.

cultivating family to keep a hold on the paternal estate. Thus the German practice of the creation of a preferred heir, and the compensation of the other members of the joint family according to the margin of agricultural profits and not the price at which the land can be sold, seems more suitable to Indian conditions; and this would not lead to any bitterness, while proving an incentive to an active and thrifty life on the part of the members of the cultivating families. A man might hold more than one of such readjusted economic holdings; but mortgages, sub-letting, and other transfers tending to bring about subdivision, should be prohibited.

**Consolidation by Voluntary Exchanges.**—In *pattidari* villages in Northern India, where the co-sharers are on good terms, voluntary exchanges of scattered parts of land and proprietary rights with the object of consolidating *quras*, *thoks* or *mahals* should be encouraged. *Chak-bat* (compact) partitions have been kept in view by the Board of Revenue, United Provinces, and might still further be carried out whether the partition be perfect or not. Such partition might work on the basis of valuation as in Aligarh, thus modifying the allotment of various soil areas to all the *pattidars* in proportion to their shares. The Commissioners of Bareilly, Benares, and Allahabad seem to have issued administrative instructions with a view to prevent *pattis* of smaller size than 5 acres, 25 *bighas* and 10 acres respectively. But, since the law prescribes no limit to the size of *pattis*, it is obvious that such instructions cannot achieve the desired end. Many District Officers report that *khet-bat* operations are still the general rule, although in some partition proceedings lip-service is done to the theory of *chak-bat* partitions by stating that the partition will be *chak-bat* as far as possible. The parties generally are averse from *chak-bat* partitions and the Partition Officers

usually meet their wishes on the principle of taking the line of least resistance. To induce the parties themselves to accept *chak-bat* partitions, the District Officer of Ghazipur has introduced the plan of asking them to fix their own valuation as far as possible on the different kinds of land in terms of one another; as, for example, so many *bighas* of fallow land are equivalent to so many *bighas* of occupancy land, and so on. A similar method has been adopted in some of the *doab* districts with success, and the experiment deserves wide trial.<sup>1</sup> It must be pointed out that the intelligent and substantial cultivators in different parts of India adopt such practices to check the evil effects of the customary laws of inheritance and statutory laws of partition, which combine to promote subdivision of the most extreme type. The secret of the success of the more prosperous cultivators lies accordingly in a determined adherence to the joint family system; the family affairs are managed by a *malika*, who is selected as the most capable member of the family. If any member insists on partition, naturally under Hindu Law he is entitled to it; but every effort is made, under the persuasion of a *panchayat*, to divide the property so as to accommodate the deserter in a different village.<sup>2</sup> Any legislation which would give a majority of villagers the option of preserving and even making compact holdings must accordingly find solid support in present habits, and intelligent backing among the principal cultivators.

**Regulation of Exchange and Partition.**—Moreover, cases of exchange of contiguous rural property should be exempted from the usual stamp and registration charges,

<sup>1</sup> *Government Resolution on the Revenue Administration, 1922-28, p. 17.*

<sup>2</sup> *Knox: Report of the Revision of Settlement in the Gorakhpur District, United Provinces, 1919.*

as in some of the agricultural countries of Europe. On the other hand, transfers of agricultural land below the fixed standard should be refused registration, if such transfer is not made to the co-sharer or to the owner of the adjoining fields. Again, the courts should not allow the partition to be made, if by so doing any of the shares would be of a lesser area than that fixed for a representative economic holding. Already in the Bombay Presidency the necessity for a limit for subdivision has been recognized. The limit fixed varies in different tracts and for different classes of land. In Gujrat it is one acre for dry crop land and half an acre for garden and rice land. Such limits, however, are too low and require to be raised in the interests of efficient cultivation.

The conditions have become complicated in the *zamindari* provinces where, on account of the absence of fixity of tenure such as exists in Agra and Oudh, the peasants cannot be induced to exchange holdings. Thus the superior and protected class of tenants occupying small-sized plots of land enjoy a better economic position, and will not effect consolidation at the expense of insecurity of tenure. Such economic circumstances, perpetuating tiny holdings which are not economically self-sufficing, are found not merely in Bengal, Bihar and the United Provinces, but also in all areas where there has developed a long chain of middlemen dependent upon land. In many of these areas the introduction of economic holdings necessary for agricultural progress is impossible without a change in the land and revenue law. This, again, is impossible without the growth of a sound public opinion in regard to occupancy and non-occupancy rights and the social necessities of agriculture. An exchange or consolidation of holdings is impossible under the existing Tenancy Law of the United Provinces, since occupancy tenants cannot be bought out. Where the land system

stands in the way of restripment and consolidation, we have to depend on the traditions of voluntary social co-operation. Such methods of solution are witnessed in the South, where there are villages which are re-divided annually. But the tendency here is more marked because of the established communal tradition. Thus in Tanjore there are larger fields and holdings than in other districts. This points to a gradual consolidation of holdings under the supervision of the village *panchayats*, which also supervise the equitable distribution of irrigation-water, the maintenance of village public works, etc. The exchange of plots of land, so as to give the different owners contiguous blocks so far as possible is called *parivarthana* (Sanskrit, exchange) in Tanjore. It is difficult to come to an agreement because the advantages of plots as regards fertility, distance, irrigation facilities, etc., have to be equalised ; and sometimes the rich peasant would refuse to exchange in such a way as to convenience a small neighbour ; and the small owner is often at the mercy of his rich neighbour.<sup>1</sup> Similarly in Travancore consolidation of holdings is taking place, the tendency being for the owner of very small plots of land to sell them or to take more land on lease from others, thereby enlarging the unit of cultivation. It might be desirable for the Government to initiate an experiment by acquiring villages under the Land Acquisition Act, re-aligning the land properly, providing proper drainage and irrigation channels, and then re-letting to the original tenants. This would furnish a valuable object lesson, though such lessons cannot serve the purposes of legislation or voluntary adjustment by the villagers themselves.

The decrease of the size of the average holding in India within the last few decades has led to the decrease of the output per man, and sometimes of the total output per unit

<sup>1</sup> K. Soundara Rajalu : *South Indian Villages*, p. 80.



of land, and the diminution of security for the cultivator. It has also fostered social inefficiency by encouraging agricultural idleness as well as friction and litigation. No economic or legal measures, therefore, ought to be neglected, which can bring about consolidation; but these must await a rapid industrialisation as well as changes in land law, land tenure and in the system of inheritance, which in India will take considerable time to bring about.

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## CHAPTER VI

### PROTECTION OF PEASANT FARMING

**Increase of Rent Receivers in India.**—Peasant farming has deteriorated in India as a result of the fragmentation of holdings and the loss of protection it has enjoyed under the ægis of the village community. Although the village community has not neglected the task of effecting a mutual exchange of plots when the latter have become too small and scattered, and has made it difficult also for an outside money-lender to acquire holdings in the village, or for a landlord to override the rights of the cultivators and to incorporate peasant holdings or common meadows with his own farms, still, on the other hand, undue subdivision of land has reduced the profits of agriculture and thereby jeopardised the security of the small holder ; the changes in land tenure, still further, have brought into existence a large number of intermediaries who share the agricultural income, and who have gained wealth and social status at the expense of cultivating proprietors. While in the permanently settled tracts and estates, there recently has been a multiplication of sub-proprietors and sub-sub-proprietors, so in the lands of peasant proprietorship there have arisen occupancy tenants and inferior landlords, who may or may not have the power to transfer their rights to persons other than their heirs. In the Punjab, which is pre-eminently the province of the cultivating proprietor, out of a total cultivated area of 29 million acres in 1918-19, nearly 15 million acres are cultivated by tenants. This all-round increase of an intermediary class of rent-receivers is a check to the progress of intensive agriculture. A very large portion of the land

in India is in the hands of small proprietors with holdings smaller than the optimal size, who have been recruited from the class of landless labourers and have inadequate resources. In the hands of such nominal owners or tenants, overburdened with mortgages, etc., without prospect of improving their position and consequently devoid of initiative, land fails to be an economic asset for the nation. On the other hand, a very large portion of the land is held by *zamindars* or landowners who are absentee landlords, mere rentiers living on rent from their estates. They do not supply agricultural capital, yet they take a specified portion of the produce raised by the tenants. They obtain rent without bearing a part of the loss entailed on the tenant by a fall in the price of the produce, or in the event of heavy crop failure or special disaster. This is a vicious system.

All land reform must be guided by the principle, which is true not only in India but also in every other country, that the technical and economic level of farming in the case of land owned by the farmer is higher than that on land held on lease. This being granted, measures are necessary to prevent the free sale or leasing of land, which leads ultimately to the proletarianisation of the peasant, who is superseded by the speculator, or by the weak, unthrifty tenant. Every endeavour should be made at the same time to secure easy and cheap credit by developing co-operative credit and agricultural co-operation, which alone can ensure the flow of capital to agriculture under conditions that do not lead to exploitation. Measures should be taken also for the consolidation of scattered holdings through the co-operative organisation, as has been attempted in the Punjab, or in the manner customary in many agricultural countries where there can be an adjustment of holdings by consent of a majority of the owners.

**Rehabilitation of the Panchayat.**—A good deal can

be accomplished if the village *panchayats* are trusted and given initiative as well as guidance. The advantages of consolidation and of collective economy of irrigation-water cannot be secured without the help of the *panchayat*, and, indeed, many of the disadvantages of scattered fields already have been mitigated by the organisation of the *panchayat* and co-operation between the cultivators. Many agricultural operations such as ploughing, cane-crushing, the lifting of water, digging of small watercourses, harvesting, are conducted by groups of villages, and agricultural partnerships are facilitated by the common social life lived in the village.<sup>1</sup> These now have to be reoriented to wider social and economic needs, and the *panchayat* is the natural social lever of such reconstruction. No State intervention can accomplish what may be achieved by the village *panchayats* themselves in framing equitable regulations to redistribute and to cultivate in contiguous areas or distinctive soil-blocks; to supply labour or money for the maintenance of village tanks or watercourses; to graze a certain number of cattle on the pasture-grounds; to use a stipulated amount of water from irrigation channels, etc. The *panchayats* might be trusted to organise just and effective land settlement by making the right of ownership of land dependent on the tillage of the soil, or by positive equalising measures as regards allotments of meadows or arable lands, or by periodical divisions so arranged by a due consideration of the factors of distance and equality as not to destroy the interest of the individual in good cultivation of the soil, while at the same time satisfying the demands of the lack-lands. Such regulations and equalising rules, judged absurdly uneconomic from the modern English standpoint, had their advantages in Germany, Denmark, England, Scotland, and Wales and still

<sup>1</sup> Mukerjee : *Principles of Comparative Economics*, Vol. 2.

have their uses where traces of them exist, as in Russia, Siberia, Japan, Java and India. If neither social waste nor land-nationalisation is tolerable, and yet the growing conflict between the haves and have-nots is to be prevented, the village communities must have restored to them some of the rights of which they were deprived by the application of the theory of State landlordism and be given a lead to pursue their equalising policy through the system of scattered ownership or a discriminate periodical re-adjustment, which will apply differently to different kinds of arable land and meadows and which can be carried out effectively only by these bodies in the interests of agricultural progress as well as social contentment.

**Russian Agrarian Revolution.**—One of the resolutions of the All-Russian Agronomic Congress in March, 1922, ran thus : "Peasant farming is subject to evolution, depending on internal and external conditions of historical origin, and, accordingly, it is not easily amenable to outside pressure, if the latter does not agree with the natural trend of its evolution." The development of individual holdings consolidated and made freehold outside the village community is not suited to Indian conditions as they are to-day and are bound to remain in the near future. Though the official view has encouraged the disintegration, individual members often have expressed themselves in favour of the maintenance of the co-parcenary interest and the revision of the old settlement policy. Much may be gained by permitting the peasantry freely to adapt their forms of landholding to new economic conditions while adequately providing for the needs of the majority and for the agricultural initiative of the minority of villages. In Russia the Council of People's Commissaries left all important agrarian methods to the rural communes and the local agricultural authorities. The Soviet decree of October 26, 1917, which abolished private ownership of land in Russia, provided for the

periodical redistribution of land in accordance with the growth of the population, the increase in the productivity of the land and the general raising of the standard of agriculture. The land of those who might leave the commune reverted to the general land fund of the commune, though in this case the nearest relatives of the former tenants "or persons indicated by the latter" were accorded a prior claim to the land on its redistribution. In such cases, it was laid down that work done for the amelioration of the land should be paid for where its results were still operative on the reversion of the land to the commune. In localities where the land fund proved insufficient for the needs of the local population, the surplus population was ordered to emigrate, the State organising and defraying the cost of emigration. Landless peasants, undesirable members of the commune, deserters and others were to go first, and the emigration of others was to be determined by mutual agreement or by lot. During the Revolution in Russia the transfer of the great estates to the peasants assumed the form of seizure of these estates by one or several neighbouring villages, which carried out the partition of the land thus seized among themselves only, without, as a rule, permitting any outsider to take part in it. The process of redistribution of the landowners' estates, in the case of many provinces, involved also the lands privately owned by peasants, enclosed farms and individual holdings and, in many places, even a general redistribution of peasant's allotments: thus having led to the resuscitation of the village commune even in those villages in which it seemed for decades to have disappeared entirely. As the result of the above-described agrarian revolution the large estates totally disappeared and the peasant received a considerable accession of land. According to the data of B. N. Knipovitch in 1919, the land was distributed in the following way:

	32 Provinces of Great Russia.	The Ukraine.
Peasants' lands ...	96·8 per cent.	96·0 per cent.
Collective farms ..	0·5 ..	0·8 ..
Soviet farms (so-called <i>Sovkhozes</i> ), farms of industrial institutions, etc. ...	2·7 ..	3·2 ..

The rearrangement of the peasants' lands is shown by the following table of the agricultural censuses of 1917 and 1919 in 24 provinces of Soviet Russia :

		Percentage of households.			
Total of households.		No sowing area.	Small area (up to 4 dessiatines)	Medium area (4 to 8 dessiatines).	Large area (over 8 dessiatines).
1917	8,034,114	11·4	59·1	21·6	7·9
1919	6,119,616	6·5	74·1	14·4	3·1

From 1917 to 1920 the peasant holdings increased for European Russia from 70 per cent. of the cultivable land to 96 per cent. and in the Ukraine from 55·5 per cent. to 96 per cent. On an average the increase of arable land for each individual in the peasant farms of 1920 was from 1·87 to 2·26 dessiatines. Similarly, changes also took place in the distribution of cattle, as is shown by the increase of households possessed of one horse and one or two cows. From these data B. N. Knipovitch deduces the following conclusion : " According to all available information, the changes appear to have been the same throughout the country : the contraction of the proletarian and upper classes of the village population and the increase of small farms, the mainstay of the peasantry, were universal. Consequently the sharp class distinctions which existed in pre-revolutionary times disappeared, the distribution of land

and cattle became more equal, and the rôle of the small farmer increased."<sup>1</sup>

**Russian Transition from Private to Collective Farming.**—Another important Soviet decree, that of the 19th February, 1919, laid chief emphasis on the necessity of facilitating a transition from individualist forms of land-cultivation to those in which communities associated themselves together for agricultural work, and plainly stated that all forms of individual land cultivation were to be regarded as obsolete. Attention was drawn also in the decree to the encouragement of Soviet farms run on collectivist principles and to the uneconomical results of trying to work strips of land situated far apart from one another. The total of Soviet farms at the end of 1919 was as follows:—

	Total of Soviet Farms.	Farms taken over by the Commissariat.
1918	3,101	...
1919	3,647	516
1920	4,292	1,636
1921	5,918	2,136

By the end of 1921, Soviet farms occupied an area of 3,079,262 dessiatines. So long as they were worked by the State they brought no revenue, notwithstanding the fact that the labour was practically free, the peasants who tilled the land doing so as their "labour duty."<sup>2</sup> The Provincial land departments were invested with wide powers to assume control of any land, to whomsoever it might belong, with a view to preventing the exhaustion of the soil and taking measures to increase its productivity.

<sup>1</sup> Prokopovitch, S. N.: *The Economic Condition of Soviet Russia*, pp. 72 and 75-76.

<sup>2</sup> *Ibid*, pp. 99-100.



**Russian Revised Settlement of 1922: Community Farming.**—In the succeeding years, the frequent and wasteful partitions of land that were continued created grave unrest among the peasantry and hindered the proper and extensive tilling of the fields. Re-divisions of land in the commune became in fact more frequent than in the Tsarist régime, taking place nearly every year, and agriculture was at a standstill. Then followed the famine of 1920 and 1921, which left the Soviet Government no alternative but to seek some practical settlement of the land problem, based on recognition of the peasant's demands for security of tenure and the setting up of effective machinery for adjusting the relations of the local population in rural areas and aiming at the creation of conditions in which agricultural workers of industry, knowledge and capacity could apply their energies freely. The "New Economic Code" of March, 1921, reversed not only the previous treatment of the peasants since the Revolution by restoring their right to their own produce, but also the agrarian changes introduced early in the 20th century by Stolypin, the Tsarist statesman, who wished to substitute individual peasant ownership for ownership by the *mir*. There is an innate incompatibility between a collectivist state and an autonomous village commune, and Lenin found that it was imperative to cajole the peasant middle class "which the Bolsheviks have not succeeded in altering in the course of three years." Under the "New Economic Policy," while any peasant or group of peasants can withdraw from the *mir* at the time of the periodical redistribution of land, each peasant is only allowed so much land as he and his family can cultivate. The land remains legally the property of the State and cannot be sold or mortgaged; the peasant is a mere occupant, and his right is conditional. Improvident cultivation or failure to cultivate brings loss of rights, any ownerless land returning to the State or the village

commune. The peasant also must cultivate the land personally ; hired labour, being a feature of capitalistic farming, was entirely prohibited in the first years after the Revolution.

It was laid down in the decree of 1922 that " farms temporarily fallen into desuetude as a result of famine, fire, loss of labour, cattle or other reason, may be let out on lease either in whole or in part, in return for money, produce or other remuneration." The term of such a lease was in no case to exceed one rotation of crops, and, where no regular rotation of crops was observed, not more than three years; although in special circumstances it might be prolonged by the Volost Executive Committees so as to include not more than two rotations or six years where there are no regular rotations. If after that time the lessee is still found unable to work his farm, the latter will pass to the local land fund to meet the demands for land of the community in question. Later, in 1925, the Soviet Government issued a decree permitting farmers to employ hired labour on the land and authorising in certain contingencies the lengthening of the working day to more than eight hours. Hired labour has been readmitted, however, only on condition that farming does not thereby lose its personal working character, i.e., that the employer must work on the same footing as the employee.<sup>1</sup> With regard to the commune, now as formerly merely an agricultural and not an administrative unit, the New Economic Policy has left its legal position almost intact. The commune decrees the re-divisions of land (which, however, are not allowed more often than once every nine years), fixes the rotation of crops, possesses land and buildings of its own, etc. During the Revolution the peasants had to give up the meadows, which passed to the State, which has been exploiting them through Trusts. This greatly weakened

<sup>1</sup> N. Gubsky: *Economic Law in Soviet Russia, The Economic Journal*, June 1927.

the local communal organisation. Between 1921-22, the Government distributed among the peasants 15,000,000 *dessiatines* of forests which were not being exploited by the State. The peasants may use the timber for their own needs but cannot sell it; they are obliged to look after the forests and to observe prescribed systems of cuttings. It appears, however, that the peasant has often proved himself a bad forester and sold or destroyed the trees, taking no trouble to replant or clear the land for cultivation. No doubt a wise collectivist management of village forests is a guarantee of peasant fortune.<sup>1</sup>

In those parts of Germany where the village community owns the land it is in a far more fortunate position. Here land falls back into the common stock at the death of each cultivator, but not before, so that each has the benefit of his own improvements, and the general average of well-being is maintained at a high level. But the German village community or commune (which corresponds to the *mir*) owns not only cultivable land but also forest and grazing land, both dedicated to common purposes. Each cultivator has a right to graze so many cattle, and has a right to wood both for burning and building purposes from the forest. These common rights are of considerable value, and the common possessions pay the rates and taxes. It is noteworthy that in the Punjab and South Indian villages, where the community owns and manages forests and meadows, the agricultural population is much more prosperous than where the meadows have passed either to the Government or to the landlord. In the South the common grazing rights, rights in trees, fuel, tank, etc., are of great economic significance, while the common lands and other sources of village income defray the local rates and cesses. A careful husbandry of the resources of village meadows and

<sup>1</sup> See Mavor : *The Russian Revolution*, p. 392.

forests has ensured a large communal income as well as peasant solidarity.

It appears on the whole that the village community (*mir*) has been reinstated in Russia under the "New Economic Policy," but under conditions which make its maintenance precarious: on the one hand, because the loss of common and forest rights makes it of less importance to its members; and, on the other, because the law makes withdrawal from it easy. It is still, however, the vastly predominating system and has the force of custom behind it. This is shown by the following table:

*Distribution expressed in percentages of the Arable Land under the various Forms of Tenure.*

		Village Communities.	Soviet Estates.	Communes.	Artels.	Isolated farms with dwelling-houses.	Isolated farms without dwelling houses.	Land administered by State Agrarian authorities.	Land administered by various institutions.
Extreme North	...	98.7	0.1	...	0.1	0.3	0.7	...	0.1
Lake Basin	...	68.9	0.7	0.1	0.1	4.0	6.1	20.1	...
Industrial Area	...	90.7	1.1	0.1	0.3	1.7	2.5	3.2	0.4
Central Agricultural Area		90.5	5.6	0.1	0.1	0.1	...	2.6	...
Ural slopes	...	95.8	0.6	0.3	0.4	0.8	0.3	1.7	0.1
Lower Volga	...	98.0	0.9	0.2	0.5	0.1	0.2	0.1	...
Little Russia	...	90.0	3.0	0.2	0.3	2.1	1.8	2.5	0.1
New Russia		82.0	6.8	0.2	0.9	3.5	0.1	6.3	...
South-West	...	93.4	3.6	...	0.1	0.8	0.8	1.3	...
White Russia	...	63.5	2.0	0.2	0.5	20.7	3.8	9.2	0.1
South-East	...	95.4	0.7	0.4	0.3	2.1	0.2	0.8	0.1
Western Siberia	...	89.3	1.6	0.4	0.7	0.6	5.8	1.6	...
Eastern Siberia	...	96.0	1.0	0.1	0.1	0.4	...	2.3	0.1

The Resolutions of the 9th All-Russian Congress of Soviets provide that peasants who wished to leave the commune with the land belonging to them were free to do so on each partition of land, that they were free to exercise a choice as to the way in which they would cultivate the land, and that each agrarian commune might decide by majority of votes the form of cultivation which it elected to adopt. In the case of either old or new settlements, the peasant is at liberty to choose between various forms of land tenure : (a) the village community (*mir*) with periodical redistribution of land, on a basis of equal shares among the families which make up the village, but deprived of its traditional, immemorial rights to forests, etc.; (b) the division of the land granted in usufruct by the fixing of boundary lines, the land thus divided to be either in the form of adjacent plots or of an isolated farm with or without a dwelling-house; (c) a society of persons holding land in common in the form of an *artel*, sometimes called the " commune " (but the real " commune " is the *mir*); and, finally, (d) the ill-defined form, varying according to the different kinds of farming practised.<sup>1</sup>

The influence of the New Economic Policy on Russian agriculture can hardly be over-estimated. There is no doubt that the Russian peasant has understood the advantages of group settlement, the pooling of resources, co-operation and work in common in place of isolated effort. Consequently his interest now is directed towards the settlement of small villages rather than towards individual settlement, so long as the growth of the peasant-holding as an institution has not been completed. Thus some of the communes are disappearing and others adopt the new rules of the agricultural co-operative societies or are transformed into *artels*.

<sup>1</sup> M. Tchérkinisky: *Agrarian Policy in Soviet Russia*, *International Review of Agricultural Economics*, October-December, 1924; also a note in *The Sociological Review*, April, 1925.

The larger communes are being divided into small hamlets, which unite into co-operative societies or work in common collectively; they make joint purchases of the necessary farm stock, form *artels*, etc. It is the peasants of moderate resources and in regions where less intensive cultivation is observed who tend especially to settle in collective farm-holdings. The practically permanent tenure of the peasants' land for as long a period as he keeps it under cultivation, the single agricultural tax on the payment of which he is free from additional taxes of any kind, the activity of the government in the directions of the introduction of scientific machinery, co-operative organisation, rural electrification, etc., are all contributing towards a steady uplift of the rural standard of living in Russia. Though Marxism has been resisted all along the line by the peasant and has been compelled to compromise with him from time to time, socialists of varied hues seem to agree in conceding that through the functional definition of property and the co-operative form of exploitation, agriculture more than any other branch of economic activity is being impregnated with the essence of socialism.<sup>1</sup>

**Recent Advance towards a Socialistic Rural Economy.**—The first years of the New Economic Policy saw the establishment and consolidation of state heavy industry, the creation of a stable currency, the formation of a network of co-operative and state organisations for the regulation of trade, the abolition of the feudal hierarchy and the increase in number and consolidation of the position of small peasant farmers. The steady decrease of the upper and proletarian layers of the village population prepared the ground for the planning and upbuilding of a socialistic economy on a gigantic scale in the one million Russian

<sup>1</sup> See D. Mitrany: *Marx v. The Peasant*, London *Essays in Economics*.

villages, which constitutes "one of the most important events in modern economic history."

During recent years the progress towards a socialistic reorganisation of agriculture and rural economy has been phenomenal. At the beginning of the revolution it was predicted that Marxism would split on the rock of opposition from the sense of private property as voiced by the richer peasantry, the *kulaki*. Now the socialistic reorganisation has proceeded so quickly that complete collectivization of agriculture is only a question of time though individual peasant economy is still stimulated by various measures and agencies, and made to fit in with the socialised sector of agriculture under the ægis of the Soviet state. The advance to socialistic organisation of agriculture is indicated not merely by changes in the use and ownership of land but also in modes of land utilisation. Since the revolution the break-up of the estates of the land-lords and the *kulaks* has proceeded apace. There has been a radical levelling in the distribution of land ownership and partly in the ownership of live-stock and agricultural machinery, and small holdings have been constituted by millions. In 1917 just before the Revolution the peasants owned about 68 per cent. of the cultivable land. In 1927 the peasants owned 89 per cent. of the land. Before the Revolution the *kulaki* produced 1,900 million poods of grain. In 1927 they produced only 600 million poods. On the other hand, the other two classes of peasants who produced only 2,500 million poods before the Revolution increased their production to 4,000 million poods. The number of peasant farms also increased from about 16 million before the Revolution to about 25 million in 1928. But this by no means implies that under-sized holdings are being created, as in India. For in Russia there has been a steady increase of arable land for each individual in the peasant holdings. The average size of the sown area per peasant farm is about 4·4

hectares. The evil of scatteredness and fragmentation of holdings was done away with as the process of resurveying village lands was carried on vigorously after the Revolution, enabling the peasants to consolidate tiny strips of land into fair-sized units of holding. The middle group among the peasants, representing medium-sized units of land, now form about 60 per cent. of the present population, and hold the same proportion of the total area. Along with the poor peasants it is these middle-sized peasants who are now joining the collective farms in large numbers. This has brought about a significant change in the attitude of the whole rural population towards communism. No doubt the policy of "liquidation of the *kulaki* as a class," and the wholesale expropriation and even unlicensed looting by the local soviets, the poorer peasants or members of the collective farms have also played no small part in strengthening the collectivization movement. Stalin, however, cried halt to this compulsory seizure of property and other excesses, repudiating the use of force or threat in enlisting peasants as members of the collective farms against their will. Thus a growing peasant resistance was stemmed, and collectivization has been steadily on the increase.

The progress towards collectivization, which began systematically only from 1918 is indicated by these figures. In 1927-28, the planted area worked by the state and collective farms was about 2·3 million hectares, or a bare 2 per cent. of the total area under cultivation. In 1928-29 the area was about 36 million hectares out of a total of 90 million hectares, *i.e.*, 40 per cent. By March 1930, 55 per cent. of all peasant farms had been collectivized. The percentage, however, shrank to about 25 or 30 per cent. by the summer of 1930 as the result of Stalin's policy of voluntary collectivization.<sup>1</sup> Since collectivization is no

<sup>1</sup> Figures quoted in Hoover: *The Economic Life of Soviet Russia*.



longer forced upon the villages, and the peasants are given the option of leaving the collective farms if they choose, receiving the equivalent of their shares in its capital and if they like to remain in them they can reclaim their property, the change in the ideology of the masses of the peasantry can easily be imagined.<sup>1</sup> Through the land law which prevents the accumulation of anything more than the peasant norm of land in the hands of one person, thus checking the growth of a rich peasantry ; through the active collectivization of small and middle-sized peasant holdings, which efface the boundaries between individual holdings, combine their tools and efforts and place them on the basis of machine technique and strike at the very foundation of village individualism ; through the building up of an extensive net of machine and tractor depots as a means of wholesale collectivization of entire villages, townships and districts, the state has started the transition to a socialistic society, free of class divisions.<sup>2</sup>

▲ **Lessons from Europe: India's Dual Agrarian Problem.**—The above account of the failures and achievements of recent agrarian legislation in Russia have their lessons to guide and to warn us in the present transition in India from the communal to the individual type of farming. That transition, if not guided by foresight, will lead to painful consequences for a large section of the population, as it has done in Germany as a result of the drastic Prussian reform of the early 19th century and in England as a result of the enclosures. A constructive land policy alone can check the rise of antagonistic interests in the soil due to the creation of intermediaries or to the importation to the countryside of a swarm of urban sharks. A more efficient utilisation of

<sup>1</sup> Hoover: *The Economic Life of Soviet Russia*; see also Maurice Dobb: *Russia To-day and To-morrow*.

<sup>2</sup> Grinko: *The Five-Year Plan*, Chapter VI; also *the Economist*, January, and November (The Russian Supplement), 1930.

soil resources also is necessary. The history of land tenure shows that the standard of cultivation can be raised effectively only by linking more closely together the cultivator and his holding. Agrarian communism is totally unsuitable for a country of small proprietors and tenants, and if forced upon it will create a bridge between the town and the village for which the nation will have to pay dearly. On the other hand, property and tenure must be defined in terms of social function. Thus the restriction of lease, mortgage or any other alienation of peasant holding, on the basis of the recognition of state ownership of land as obtains at present in Russia might well be adopted in the Indian soil. For these alone can counteract the growing conflict between the richer and the poorer peasantry, which forms a marked feature of the peasant agrarian situation in India. Absentee land-holding and the usurpation of the common lands of the tenantry are no doubt crying evils which must immediately be checked in order that the painful history of Russian landlordism be not repeated in this country. Further, the Indian agrarian system, like the Russian, still continues a strong communal tradition. The Neo-Populists in Russia hoped that the *mir* would develop into a village guild of production. Or, if the *mir* was in a state of disruption, the land, they suggested, might be nationalised and leased by the State to individual small holders, who would be forbidden to employ paid labour. In this case a co-operative or a collective organisation would enable the peasantry to keep out the profiteer and the capitalist. These hopes are in the way of realisation and the Russian peasant who has been fighting so long against the Marxian programme, asserting his rights over his land, tools and implements, has now agreed to be "collectivized," and is turning to collective farms, *artels* and co-operatives for increasing his technical and social efficiency. The rich tradition of communal habits and agricultural practices in India has always favoured the conception of property as

a social function, and this may be utilised not only in imposing restrictions on the use and ownership of the land, wherever these threaten peasant solidarity, but also in initiating a comprehensive programme of agricultural co-operation in the country. We have seen that at the basis of the Soviet land laws, there is the principle of cultivation of land with one's own labour. Thus, the leasing of land is drastically restricted. A land can be leased only for a short term defined by the law and when the peasant himself is unable under special circumstances to cultivate it at the moment himself. Similarly there are numerous restrictions on the employment of hired labour. The position of Soviet law on this question is that hired labour may be employed as accessory labour only by peasants who cultivate their own land.<sup>1</sup> The Soviet law even provides for so-called individual taxation, the heaviest of all, for such farming units as are clearly labour-exploiting enterprises.<sup>2</sup> While such restrictions on transfer, lease or employment of hired labour are necessary in the different provinces of India to check the development of the richer peasantry or of a class of capitalistic intermediaries and non-agriculturist money-lenders among a population of poor farmers, we ought to utilise the ancient traditions of rural communalism in the country for lifting the small farmers from the grooves of narrow individualism and conservatism in a new regime of co-operation which can fight effectively all along the line the development of capitalistic relations in agriculture. The sense of private property inherent in the peasant proprietor and tenant cannot favour the introduction of collective farms or artels in India, but the mass of the small peasant holdings may be combined into co-operative associations for the purchase and use of agricultural machinery,

<sup>1</sup> Lapidus: *Outline of Political Economy*, p. 522.

<sup>2</sup> Grinko: *The Five-Year Plan of Soviet Russia*, p. 167.

for consolidation, for irrigation, even for rural electrification, which will overcome the low yield of Indian small farming. The progress of agricultural co-operation in Russia is as significant as that of the collectivization movement. In 1929 agricultural co-operation embraced only 35 per cent. of the peasant holdings in Russia. According to the estimate of the Five-Year Plan, the membership of co-operatives will include by 1933 about 85 per cent. of all holdings. Peasant production is stimulated not only by the co-operative organisation, but also indirectly by the educational and organisational work conducted by the Soviet state. The state also supplies on a large scale agricultural machinery, tractors, mineral fertilisers, and selected seeds, while electric power, and expert knowledge are literally flowing into agriculture and village industry. Further, the state has initiated a new system of contract and market operations for encouraging the cultivation of such industrial crops as beet sugar, cotton and flax, advancing to the cultivators money and equipment and securing from them the entire produce. By a process of liberal support of small producers, by the ramifying organisation of co-operatives, by uniting the small producers and putting them on the road to modern large-scale production, peasants, artisans and *kustars* are now saved from exploitation and linked with the rapidly expanding movement of industrial centralisation and mechanisation of agriculture throughout the country. Lastly, in spite of the increase of agricultural production, and of the incomes of the peasant population, the Five-Year Plan estimates an actual reduction of the total amount of agricultural tax. The Soviet law completely exempts from taxation the holdings of the poorest peasants, which form 35 per cent. of the total peasant population. The middle peasants, forming

<sup>1</sup> Grinko: *The Five-Year Plan of Soviet Russia*.

about 61 per cent. of the total, and the *kulaki* who form 4 per cent. are subject to a rather steeply progressive rate of taxation.<sup>1</sup> Not only are the poor peasants exempted from agricultural tax, but they are also given privileges in the distribution of land, the distribution of timber, etc. Besides, the Soviet government aims at supplying agriculture with machines, fertilisers, etc., but in such a way that they may not fall into the hands of the rich sections, for which purpose it restricts the rights of the rich peasants in the co-operatives, etc., and shifts the heaviest burden of taxation to their shoulders.<sup>1</sup> In India the Banking Enquiry Committees have recently ascertained that in many provinces more than 50 per cent. of peasant-proprietors and tenants possess holdings, which are below the minimum economic size necessary to support the cultivator and his family. A scheme of taxation of agricultural incomes is sooner or later necessary to evolve by which the small-holders of the ryotwari tracts, whose holdings are uneconomic, should be exempted from the land-tax, while those in the permanently and temporarily settled areas should not be subject to an enhanced rent and revenue-rate due to rise of prices, which hardly benefits under-sized holdings. Besides, a progressive rate of taxation of agricultural incomes should weigh heavily upon land-lords, lessees and all kinds of intermediaries as well as rich peasants, who habitually employ hired labour. Taxation in a densely peopled agricultural country like India should be based on the principle of the greatest possible stimulation of small-scale peasant farming. India has, indeed, a good deal to learn from the complex system of measures for the re-education and stimulation of the productive efforts of the masses of small and middle peasants in Russia in order that the multiplication of the classes of

<sup>1</sup> Lapidus: *Outline of Political Economy*, pp. 502-503.

rent-receivers and intermediaries, on the one hand, and land-less labourers on the other, may be checked, and the contrasts between landed estates and toy holdings, between the status of superior proprietors and tenants and the expropriation of the inferior peasantry, and, lastly, between rural and urban standards of living, may be mitigated or abolished.

## CHAPTER VII

### THE CHAIN OF SUBINFEUDATION

**Abuses of Subinfeudation.**—In the permanently settled tracts of India, and in those where an inferior land-ownership has been in vogue, there has grown up in comparatively recent times an extraordinarily complicated state of agrarian relations which have proved very detrimental to agriculture. The *zamindar* need not part with his estate by an absolute sale, but can raise money by allowing his proprietary right to be subdivided into smaller estates of minor value ; he still retains his status and receives an annuity that leaves enough margin for his payment of Government revenue. Inferior tenure-holders follow the same practice, with the result that middlemen under middlemen spring up who have no interest in the improvement of the land. On account of the widespread adoption of this principle of subdivision and subinfeudation of rights in land, there has developed a long chain of rent-receivers and rent-payers, who are eating up the meagre profit derived from small farming and lowering both the legal status and the economic position of the actual tillers of the soil. There is a close similarity between the landlords' estates in Northern India and the *latifundia* in Italy and Spain. The estates in both cases are owned by great landlords whose sole interest in their property is in their rents. They let to one or more middlemen who make what profit they can during the term of their lease. The number of intermediaries between the landlord and the cultivator is often very large. The resultant subletting has given rise to the same abuses

in Bengal as are associated with the *latifundia*. The *patnidars* correspond to the *fittaioli* and *mercanti di campagna* of Europe. Many of the landlords of Bengal, Bihar and the United Provinces like those of Italy and Spain, are absentees and attend to their property only for the purpose of receiving their rents. In Southern Italy, Sicily, the Balkan countries, Poland, Spain and Ireland, absenteeism has led to under-cultivation and wholesale emigration. In some districts of the United Provinces and Bihar absentee landlordism has been incompatible with good agriculture, and, since fertility and population have gone together, the increase of population has resulted sometimes in wholesale emigration from the country district.

**Intermediate Tenures in Bengal.**—In Bengal, thanks to her fertility and multiple cropping, the problem of emigration has not yet appeared ; but the decrease of farm-servants and field-labourers by almost 50 per cent. in the last decade shows the increasing inadequacy of cultivation. Here we have *patnidars*, *dar-patnidars*, *se-patnidars*, etc., and it is their deputies and officers who are the sole representatives of the absentee landlords. A *patni* tenure is held by the lessee and his heirs at a rent fixed in perpetuity. The tenure is permanent, transferable and hereditary, but is liable to sale for arrears of rent under a summary process on the application of the proprietor. The lessee has the power to sublet his *taluk* on the same conditions as those by which he is bound to the proprietor. An inferior holder is allowed to stay a sale arising from the default of his superior, by paying into court the amount due. The respective rights of *zamindar*, *patnidar*, *under-patnidar* and sale-purchaser are laid down in the Pattani Taluk Regulation (Act VIII of 1819). The creation of a *patni* tenure implies a virtual surrender *pro tanto* of proprietary rights, and is resorted to only when the *zamindar* is in need of a large sum of money, a heavy



premium generally being paid by the *patnidar*. It has rarely happened that a *patni*, or even a lease for a term of years, has been given otherwise than on payment of a bonus, which has discounted the contingency of many years' increased rents. It is a system by which, in its adoption by the *zamindars*, their posterity suffers, because it is clear that, if the bonus were not exacted, a higher rental could be obtained permanently from the land. This consideration however, has not had much practical weight with the landholders. If a gradual accession to the wealth and influence of sub-proprietors be a desirable thing in the interest of the community, then the action of the land-holding class is not in this instance a subject for regret.<sup>1</sup> The process of subinfeudation described above has not terminated with the *patnidars* and *ijardars*. Lower gradations of tenures under them, called *darpatnis* and *dar-ijaras*, and even further subordinate tenures, called *se-patnis*, *chahar-patnis*, etc., have been created in great numbers. Not infrequently, especially where particular lands are required for the growth of special crops, such as indigo, superior holders have taken under-tenures from their own tenants. These tenures and under-tenures often comprise defined tracts of land ; but a common practice has been to sublet certain aliquot shares of the whole superior tenure, the consequence of which is that the tenants of any particular village of an estate now very often pay their rents to two, or even many more than two, different landlords, so many annas in the rupee to each. This has resulted in great inconvenience. The social aspect of subinfeudation, however, should not be overlooked in this connection. In large estates, with powerful *zamindars* directly over their heads, the tenants are powerless and cowed by the superior prestige of the landlords. In an

<sup>1</sup> *Bengal Administration Report, 1922, p. 94.*

estate parcelled out among tenure-holders of several grades, the actual cultivator has above him generally his social peer or at least but a slightly more prosperous person. There is in such circumstances a tendency not to rack-rent the cultivator, social influence and community feeling operating in his favour. Subinfeudation, if it is not the only source of living and hence economically unsound, is not an unmixed evil. It is sometimes an advantage to have a multiplicity of landlords, provided they are not too powerful. Unless they can combine they cannot sue tenants for enhancement. There is, however, a risk of the increase of petty oppression by landlords' agents.

Throughout Bengal the breach between the superior landlords and the actual tillers of the soil due to the rise of *patnis*, *sub-patnis*, *dar-patnis*, *se-patnis*, etc., has led also to the neglect of the numerous tanks on which agriculture had formerly depended. The *zamindar* and the higher grade of *patni*-holders have ceased to spend anything for the cleaning of tanks, which in consequence have been silted up or choked with vegetation, while the cultivators themselves and the tenure-holders of the lowest grades, whose interest it is to see that the tanks are kept in proper condition, are too poor to do anything unaided. In many of the Western districts the high proportion of rent payable by the *patnidars* and *dar-patnidars*, taken together with the fact that the rents of the *ryots* are already pitched high enough, serves as an effective check upon the creation of profitable intermediate tenures. Many of the *patnis* leave but little margin of profit for the *patnidars*. This discourages them from investing agricultural capital in the *mahals*. Again, the *patnidars* experience great difficulty in obtaining increase of rent from the rent-paying *ryots* on the ground of improvement. Thus they are generally unwilling to take the risk of uncertain litigation. A large proportion of *ryots* have the status of

fixed rent under section 50 of the Bengal Tenancy Act. The rents of such *ryots* cannot be legally enhanced even if the *patnidar* spends money and effects improvements. All this is in no small measure responsible for under-cultivation and inefficient farming, especially in Western Bengal. The number of rent-payers and rent-receivers in Western and Eastern Bengal may be compared as follows :—

Locality.			Number of Rent-payers to one Rent-Receiver.
Chittagong	...	...	12
Dacca	...	...	21
Barisal	...	...	23
Faridpur	...	...	23
Noakhali	...	...	34
Mymensingh	...	...	48
Tipperah	...	...	48
Rajshahi Division	...	...	58
Burdwan Division	...	...	16
Presidency Division	...	...	14

The same might be shown by comparing the number of tenure-holding interests in different districts in Bengal and Bihar :—

				Percentage of tenure-holding interests to the total number of interests of all kinds.	
				Rent-paying.	Rent-free.
Bakarganj	...	...	...	41 05	2·87
Dacca	...	...	...	18·80	7·82
Midnapur	...	...	...	10·77	5·26
Bhagalpur	...	...	...	3·29	...
Saran	...	...	...	4·89	...

**Varieties of Sub-Tenures in Bengal.**—The most common class of the subordinate tenure in Bengal is the *jote*,

a term which includes both tenures and *ryoti* holdings, as defined in the Bengal Tenancy Act. *Jotes*, as the name signifies, were originally agricultural holdings but subsequently grew into tenure by amalgamation with other *jotes* and increasing in size. It is often difficult to distinguish *jotedars* from under-tenure-holders cultivating their own lands, excepting that the latter have the privilege, which ordinary *jotedars* sometimes possess and sometimes do not, of subletting their lands to tenants at fixed rates. Below the *jotedar* is the *chukanidar*. This term appears originally to have been applied to tenancies held under a *jotedar*, and not held directly under a proprietor or *talukdar*, but this term also is employed very loosely, and sometimes means not only cultivator's holdings but all kinds of sub-tenures, under-tenures, *ryots* and under-*ryots*. Below *chukanidars* are *dar-chukanidars* and below them *dara-dar-chukanidars* who, again, are followed by *tasya-chukanidars* and *tele-tasya-chukanidars*. The majority of these are under-*ryots* without any rights of occupancy. Other subordinate tenures are those known as *mukrari* and *istimrari* or *maurashi*. The former are generally leases of small plots of land for the construction of permanent dwelling-houses, factories, gardens, tanks, wells and burning or burying grounds. The leases are permanent and heritable and the rent is fixed in perpetuity. *Istimrari* or *maurashi* tenures are permanent, but are liable to enhancement of rent in the absence of a stipulation to the contrary. Other subordinate tenures are *ijaras*, which are farms limited to a term of years. The farmer has no claim to a resettlement on the expiry of his lease. The rents of fisheries and markets ordinarily are leased in this way, but *ijaras* of agricultural rents are not uncommon. An *ijara* is sometimes sublet, and becomes a *dar-ijara*, the term, of course, being limited by that of *ijara* itself. In Eastern Bengal subinfeudation is a more prominent feature of the land system than elsewhere, middle

rights generally extending to several grades, one below the other. As a result of subinfeudation and coparcenary there is so much confusion that the landlord has little or no idea of the title under which he holds the various portions of his property; his right in one field may be in part that of a *zamindar*, the remainder being held by him under a series of distinct tenures; in neighbouring fields his title in all probability would be entirely different, and it is left for the settlement staff to find a way through the fiscal maze.

The effect of coparcenary and subinfeudation has been to place the cultivator under a host of different landlords with all the disadvantages of separate *nazar* and separate *salami*. Throughout Eastern Bengal the tendency has been to complicate title by the fusion of proprietary and tenure rights over the same land,—a complication non-existent at the time of the permanent settlement.<sup>1</sup> There has been an enormous growth of numerous intermediate tenures and aliquot grouping of landlords. The total number of tenures of all grades in Faridpur, a typical East Bengal district, is 221,475, of which 178,618 are original grants and 42,857 are shares subsequently separated, in 7,472 of these separation being subsequently recognised. This gives a density of 90 in every sq. mile and 169 in every sq. mile in which proprietors have created tenures at all as compared with 133 and 170 in Bakarganj. The total of the different rent-paying classes, including their derivatives, is as follows :—

Dependent <i>taluks</i>	...	...	...	2,759
<i>Patni</i> and <i>patni taluks</i>	...	...	...	2,586
<i>Khanda kharid</i>	...	...	...	2,564
<i>Miras</i> ...	...	...	...	7,337

<sup>1</sup> Ascoli: *Final Report on the Survey and Settlement Operations in the District of Dacca*, 1917.

<i>Ijara</i> ...	...	...	...	...	8,484
<i>Ijara kaola</i> ...	...	...	...	...	12,669
<i>Jote</i> ...	...	...	...	...	115,450
Miscellaneous ...	...	...	...	...	2,055 <sup>1</sup>

Proprietary rights in Eastern Bengal quite commonly are found seven and eight deep, and in some cases 12, 15 or even 17 tenure-holders are recorded one below another. Each of these strata of proprietorship is divided among equally numerous shares : a single proprietor very frequently holds tenures in several of these strata; most of the tenure-holders are absentees. Under-*ryots* also are very common and many of them themselves sublet and there are *ryots* of the second degree and *ryots* of the third degree. The increasing array of middlemen who intervene between *zamindars* and cultivators throughout Eastern Bengal has resulted in the levy of numerous *abwabs* and other illegal enhancements all along the ever-ramifying tenure-tree. Such interception of the profits of cultivation cannot but be injurious to agricultural productivity.

**Notorious Land Complications of Bakarganj.**—In no district is the system of subinfeudation so much interwoven and perplexed as that which is found in Bakarganj. The Settlement Officer observes that the district of Bakarganj is notorious as the home of the most tortuous and intricate system of land tenure in the world. To explain the case by comparison, it may be said that whereas in an average Bihar village of 100 acres, 84 acres will be occupied by *ryots* and 13 acres by proprietors and rent-free holders, leaving a balance of 3 acres to be held by intermediate tenure-holders, in a Bakarganj village of the same size 64 acres will be occupied by *ryots* and under-*ryots*, 9 acres by the proprietor, and 27 acres by intermediate tenure-holders.

<sup>1</sup> Jack: *Final Report of the Survey and Settlement Operations in Faridpur District.*

Of the 64 acres occupied by *ryots* only 15 acres will be held directly of the proprietor and 49 will be held of intermediate tenure-holders. As an illustration of the multitude of these tenures, it may be added that in one *zamindari* alone—Salimabad—with an area which is but a tenth part of the area of the Darbhanga district, there were fourteen times as many intermediate tenures as in the whole of the Darbhanga district. It is not, however, the mere multitude of intermediate interests which makes Bakarganj land-tenure peculiar, but also the extent by which in layer after layer they divide the cultivator from the proprietor. In every piece of land at the top is the proprietor paying revenue to Government, and at the bottom is the cultivator who tills the soil, but in Bakarganj, between the two, there are normally eight, often twelve and occasionally twenty grades of intermediate holders, each holding a separate and definite sub-lease of the land from the next higher in the scale. From the point of view of the cultivator, his landlords form a Jacob's ladder of which each rung is occupied not by an angel but by a tenure-holder, and the topmost by the proprietor. Viewing the village or estate as a whole, however, the interests in land spread out fan-wise, the holders in each grade dividing their tenancies amongst a more numerous body of sub-lessees, until the cultivators who are the ultimate sub-lessees form the most numerous body of all. The following interests in land are found to exist below that of the *zamindar* proprietor. These in descending order are (1) *taluk*, (2) *nim taluk*, (3) *osat taluk*, (4) *dar patni* and *osat patni*, (5) *nim osat taluk*, (6) *dar nim osat taluk*, (7) *miras ijara*, (8) *ctman*, (9) *mudafat*, (10) *haola* or *jimba*, (11) *osat haola*, (12) *nim haola*, (13) *osat nim haola*, (14) *dar osat nim haola*, (15) *ryot*, (16) *nim-ryot* (17) *osat nim ryot* and (18) *dar osat nim ryot*. There are also found tenures such as *shamilat taluks* and *ryot* interests like *miras karsha* and *kaim karsha*.

**Produce-sharing Tenants.**—A very important class of cultivating tenants which is rapidly increasing throughout Bengal are *bhagchasis*, *bhagkars*, or *bargadars* (Eastern Bengal), a species of *metayer* tenantry, who cultivate lands under *jotedars* or *chukanidars*, and share the produce in certain proportions with their landlords. The latter generally receive a half-share (hence the term *adhiar*), or, as in the case of the cultivation of such crops as potato and sugarcane, two-thirds (hence the term *tebhaga*). They usually supply cattle, plough or seed and their share of the straw is generally half. The manure is supplied by the landlord, the *bhagkar* carts it to the field or pays the expense of carting. In West Bengal, where the crops were relatively uncertain on account of flood or uncertain rainfall, the *metayer* tenancy was natural and almost universal. In the East Bengal districts harvests were practically assured. There cash rent was the appropriate system and the *bargadar*, a name which distinguishes him from the *bhagkar* or *bhagchasi* in the west, has appeared in recent times. The following modes of division of crops were found by me in the course of a survey in Birbhum District : (1) *Kirsheni* or *Tebhaga* in which the actual cultivator gets one-third of the crop. The costs of cultivation and of repair of implements, as well as seeds and manure are supplied by the cultivator. Usually seeds and manure, as well as rice for home consumption, are advanced by the proprietor who recoups these by receiving a larger share of the produce on appraisal after harvesting. In the case of rice an advance of six *bish* will be counted as nine *bish* on account of interest. (2) Sometimes the cultivator obtains 8 or 9 twentieths and the proprietor the remainder of the crop. All the costs of agriculture, including seeds, have to be provided in this case by the cultivator. The proprietor and the cultivator equally contribute towards the supply of manure. If the proprietor does not supply any, he foregoes



his own half-share of the straw. A variant of this mode of division found in certain parts of Murshidabad is  $\frac{1}{11}$ ths of the crops of the peasant and  $\frac{1}{11}$ ths for the *malik*. (3) *Panchdadhey*, which means  $\frac{2}{3}$ ths for the cultivator and  $\frac{1}{3}$ ths for the *malik*, and is in vogue usually for middling grades of soil. (4) Half and half division is adopted usually for the worst kinds of soil depending entirely on rainfall for their produce. Such lands are picturesquely described in the peasant's vocabulary as *Indra prashadi* or gifts of Indra, the God of Rain. Both paddy and straw are divided equally; but, if manure is supplied by the cultivator, the proprietor is not entitled to any straw.

According to the contract system the cultivator gives as rent a certain amount of the produce irrespectively of the yield (*Dhankarari*). Thus 4 or 5 maunds of rice per *bigha* would represent the produce rent. The greater portion of the straw goes in this case to the tenant.

**Spread of Produce-paying Tenancy.**—The reasons why the produce-rent system is spreading in Western Bengal are many. First, the costs of agriculture have increased and the higher castes, such as the Brahmins, Kayasthas, Baniyas, Bairagis and Vaidyas, who do not drive the plough, find that cultivation through *chakars* or hired servants becomes uneconomical. The dominance of higher castes in the villages thus implies the prevalence of *bhag bili*. In some portions of the district of Burdwan, fields will be left uncultivated if the aboriginal castes are not induced by attractive terms to take up the cultivation work shunned not merely by the higher castes but also by the *Bagdis*, *Bauris* and *Sadgops*.

Secondly, in many instances smaller families as well as malaria are responsible for the prevalence of subletting on the produce-sharing basis. More than 12 to 15 *bighas* of land are seldom cultivated by home labour, and hence the rich *jotedar* would usually sublet. It is significant that the

Bonthals and the Muhammadans usually cultivate larger-sized holdings than many of the Hindu peasant castes.

Thirdly, the gradual expropriation of the inferior peasantry by the money-lending classes is also largely responsible for the spread of the produce-rent system. The money-lender will not cultivate the land himself and prefers produce-rent to cash-rent, since the former gives him more than the latter at the present level of prices. Some notorious instances of an increase of cash-rent due to the money-lender taking possession of the tenants' holding have been adduced from Dacca. In thana Raipura, Dacca District, the alteration of a rent from Rs. 5 to Rs. 75 under such conditions is nothing extraordinary, and the cultivator is left struggling for ever in the clutches of his landlord. The frequency with which such *dhaki* tenancies are now being created is appalling.<sup>1</sup> More generally the money-lender who purchases a holding creates a new tenancy by changing cash into produce-rent. Whether he is recognised as a *ryot* or as a tenure-holder there is nothing in the law beyond the inoperative provisions of section 48 of the Bengal Tenancy Act to prevent him from resettling the land on an extortionate produce-rent which would place the tenant entirely at his mercy. In the produce-sharing tenancy in Murshidabad the seeds are supplied by the money-lender and the *bhagchasi* in the same proportion as they divide the yield. In the case of the two-fifths share, the manure is supplied by the *malik*; in the case of the nine-twentieths share, the manure is equally divided between the *malik* and the partner; while in the case of the half share the manure is supplied entirely by the *bhagchasi*. The *bhagchasi* has as a rule to find the cattle and implements of agriculture. When he cannot

<sup>1</sup> Ascoli: *Final Report on the Survey and Settlement Operations, Dacca, 1910-17, p. 48.*

provide these but supplies simply the labour of goading the bullocks (hence the term *pachune bhag*) he gets only one-third of the crop but no straw. When a fixed amount of the produce, *e.g.*, so many maunds of rice, is paid, the cultivator is called *dhankaridar*. The tenant pays two to seven maunds of *dhan* per *bigha*, whether the cultivation is successful or not. In all districts in Bengal a large number of small landlords and tenants of all degrees, most of whom belong to the middle class, do not cultivate themselves but live upon the produce of their lands let out in *bhag* or *thika*. Such a system of *metayage* is thoroughly inefficient and as a rule is associated with inferior farming. But there is every reason to believe that the system will spread since when the idle or absentee middle or moneyed class invests capital in land this remains the only method of management without regard to the quality of the yield. The petty money-lender is also a devotee of the system and prefers to have a tenant whom, relying on local opinion and in defiance of the intentions of the Government, he can oust at any moment. In many cases the *bargadars*, however, execute *kabuliyats* for short terms. In some of these *kabuliyats* there is a stipulation that if he fails to deliver the produce, he must pay a certain sum of money as the value of the landlord's share.<sup>1</sup> The produce-paying tenant is not protected from enhancement of rent. He is regarded as a tenant-at-will and claims no right to remain more than one season. The Tenancy Act Amendment Committee proposed to regard such produce-paying cultivators as tenants and give them occupancy right, at which, in many districts, the shrewd landlord took alarm. Many share agreements were terminated at once and the cultivators had no remedy. The present situation, indeed, is full of interest. Throughout Western Bengal, the *bhagchasi* is

<sup>1</sup> Jameson's note appended to the *Jessore Settlement Report*.

usually regarded as a tenant-at-will, not only by his landlord but also by himself and by public opinion generally. His name indicates that he is a cultivator (*chasi*) and not a mere *majur*. If he were a labourer he would be entitled to his wages whether there were any crop or not, whereas in fact if the crop fails he bears the entire loss. On the other hand, the *bhagchasi* holds on a lease renewable from year to year and liable to termination at the end of any year at the will of the landlord. Hitherto, in a large number of cases, the *bhagchasi* has been allowed to cultivate the same holding for years and even generations, to build his house on it and settle down as though he were sure of permanent occupancy. But now that the question of the status of the *bhagchasis* has been raised there is an attempt on the part of the landlords everywhere to ignore them altogether. The Settlement Report of Midnapur observes: "It may be apprehended that the *bhagchasi* runs the risk of being crushed out of existence or reduced to the position of mere labourer before he can learn to stand on his rights, and use the support which the settlement record affords him; if eventually he does so and secures a better position for those who come after him it will, it is to be feared, be only at the expense of heavy casualties among the present ranks." In Eastern Bengal the produce-paying tenancies are a greater and an unmitigated evil. The seasons are assured and the yield is good. The general incidence of rent is low. There is, however, great pressure of population upon the arable land. A person takes *barga* only because he has not enough land of his own. The system perhaps originated in the fact that people of the middle-classes with small income wanted to have a ready means of livelihood; while in Bihar and in some of the Western districts of Bengal the system is or has been connected with the necessity of maintaining village tanks, wells, reservoirs and artificial water-courses,

The peasant with his small resources cannot be expected to maintain a system of irrigation on an extensive scale; the produce-sharing tenancy consequently has supplied the landlord with a strong motive to construct and keep the irrigation works in good order. In Eastern Bengal the landlord is preferring the system of produce-rents simply in order to get the full benefit of the rise in the price of staple food crops, and his participation in the agricultural operations is *nil*. In parts of Eastern Bengal the landlord has ensnared the *bargadar* by advancing loans, and the latter can hardly keep his head above water. Such loans are ostensibly for the purpose of purchase of seeds, cattle and implements, but in reality are meant to bind the *bargadar* to his holding. Sometimes, again, the *bargadar* is forced to keep some deposit money with the landlord, which he loses when he gives up the holding.

**Under-ryoti Tenancies.**—The produce-paying tenant is not entirely a class apart; many money-paying tenants also have holdings in the same village and under the same landlord, for which they pay *bhag* rent usually in the less fertile portions where crops are uncertain. Many of the more substantial cultivators, besides possessing lands which they hold in their own right, cultivate *bhag* lands, to which naturally they devote far less attention than to their own. Many also of the *jotedars*, who formerly were the actual cultivators, have become middlemen. They have bought up the lands of their neighbours and have sublet them. As their property has increased they have ceased to cultivate all but a small portion of their original holding. Sometimes they have sublet the whole. In Eastern Bengal subletting by *ryots* who are unable to cultivate all their land is a very common practice. In Faridpur 10 per cent. of the area held by the *ryots* has been sublet to under-*ryots* to the number of 240,000. In the more fertile areas in Bengal the practice of subletting is due not so much to inability as to unwilling-

ness to cultivate, the *ryots* being too prosperous and indolent to care to till all their lands themselves. In some of the Western districts the *Kaibartas* represent the bulk of the cultivating class. As their condition has become prosperous there has been a decided tendency among these *Kaibartas* towards becoming a kind of middlemen in fact, though in law the actual field workers have no status whatsoever. Throughout Bengal, under-*ryots* paying money or a definite quantity of produce are very common, and the number is on the increase owing to the buying up of *ryoti* holdings by wealthy cultivators, petty landlords and members of the trading classes, who do not cultivate the land themselves but sublet it frequently to the original *ryot*. Sometimes these classes of persons, instead of buying the *ryoti* holdings outright, take usufructuary mortgages extending often to a period of 100 years, the object probably being to avoid payment of the *salami* due on transfer. Rents of under-*ryots* are often extremely high, Rs. 36 per acre being not unknown. In many districts of Bengal it is generally admitted that under-*ryots* have rights of occupancy if they have their houses on their holdings, but not otherwise. This being so, the ascription of *ryoti* interests to only one grade in the chain of subinfeudation does not represent the facts correctly; there are often two or three grades, each of which in practice enjoys all these rights. But the *bargadars* are far more numerous. Many landlords are middlemen of the *bhadralok* class who depend upon produce-rents for the support of their joint families. Such rents are paid under the *barga* system. The cultivating classes thus tend to be reduced to mere labourers, while those who claim the privileges of a *ryot* of the Bengal Tenancy Act are often people to whom the driving of a plough is a social degradation.<sup>1</sup> In Jessore there are often

<sup>1</sup> M. N. Gupta: *Final Report on the Survey and Settlement of certain Government and temporary settled Estates in Hooghly.*

three or four and sometimes even seven or eight grades of under-*ryots*, though in the rest of Bengal two grades are common. Land-holding in all countries has been an incident of social respectability. In Bengal, the *zamindars* showed the way in subletting, and tenants have not been slow in following them. In Bakarganj and other districts of Eastern Bengal, the tendency has been to create different degrees of holders above the *ryot*. In Central Bengal the tendency has been to create sub-leases below the *ryot*. Central and Western Bengal were agriculturally developed at the time of the Permanent Settlement, and the *ryots'* rents which were fixed, did not give scope for speculation as in Eastern Bengal. This in the main explains the absence of much subinfeudation so far as tenure-holders are concerned. On the other hand, the *ryots'* rents still admitted scope for subletting at a profit. This, as well as the fact that the Bengal Tenancy Act permits the acquisition of occupancy rights by under-*ryots* explains the large number of under-*ryots* in Central Bengal. In Jessore they actually exceed the number of *ryots*, enjoying practically all the privileges of the latter. In Tipperah and Noakhali, on the other hand, the *ryots* have paid *salami* to the landlords on a large scale and elevated themselves to the position of permanent tenure-holders at fixed rents. In most parts of Bengal the tenants have been wise enough to recognise that the status of the settled *ryot* is superior to that of a permanent tenure-holder in some respects, and certainly to that of a temporary tenure-holder. In some cases they have found that the court gave them less protection as *ryots* at fixed rates than as settled *ryots*. Hence in all settlement proceedings and civil cases the purchasers of occupancy holdings and middlemen of the cultivating class have fought for the status of settled *ryot* as opposed to the status of the tenure-holder. Usually in doubtful cases the Courts, following the principle that

once a *ryoti* holding always a *ryoti* holding, have given their verdict in favour of the middlemen. The Settlement Courts have done so much less readily, because they realise that to record the landlord as a *ryot* means recording his under-tenants as under-*ryots*. This class had no solid protection under the law until lately, and the result was that a large number of the real cultivators of soil were tenants-at-will. They were not protected against eviction, and the protection afforded against excessive rental had been rendered nugatory in the law courts. The legal position of the under-*ryot* was, indeed, anomalous. The Bengal Tenancy Act was amended in 1928 to rectify this and to define clearly and precisely the incidents of under-*ryoti* tenancies. An under-*ryot* who holds land immediately or mediately under a *ryot* for twelve years continuously is given full occupancy rights. He is protected by law against eviction, excepting when rent falls in arrears, or on failure to pay an enhanced rent sanctioned by courts of law. The under-*ryot* has all the privileges of the occupancy *ryot* excepting the rights of transfer and subinfeudation. If these rights were allowed the actual tiller of the soil would be again exposed to rack-renting. The Settlement Officers of Bakarganj, Faridpur, Dacca, Bankura and Jessore laid great stress on the economic disadvantages of the recent increase of under-*ryoti* and produce-paying tenancies, and in fact regarded the finding of means for the restriction or suppression of such tenancies as the most urgent duty of the Legislature. Under the law, produce-paying tenants under tenure-holders have been *ryots* and can apply for commutation, but the privilege has been seldom claimed owing to fear of the landlords. The facilities which Settlement operations offered to such applications have been the main grievances of many landlords against these operations, and it is the apprehension that commutation will be applied which hastened the rapid growth of the contention,<sup>1</sup> which now is



fairly common throughout Bengal, that the cultivators known as *adhiars*, *bhagchasis* or *bargadars* are not tenants at all but labourers or co-partners.<sup>1</sup> Along with the grant of permanent and heritable right to the under-*ryot*, the protection of every type of *bhagchasi* or *bargadar*, by his being defined as a legal tenant, will solve one of the most pressing economic problems of Bengal.

**Inadequate Protection of Produce-paying Peasants.—**

The Amending Act of 1928 in so far as it concerns produce-paying cultivators has recognised only the *dhan-kararidars* or cultivators who pay a *fixed* quantity of produce as *ryots* or under-*ryots*. A very large section of produce-paying cultivators both in Western and in Eastern Bengal, who pay a *proportion* of the produce that varies from locality to locality, and according to agricultural circumstances have, however, been left unprotected. No doubt most of these provide the ploughs and cattle, and sometimes seeds and manure, and these ought not to be differentiated from the *dhan-kararidars*, who enter into a contract for paying a fixed amount of produce. In fact from the peasant point of view in Bengal and Bihar, there is no distinction between rent in cash and rent in kind, or between peasants who pay a fixed amount of produce and those who pay a definite share as fixed by local usage. Further, in some areas such produce-paying cultivators have actually held the same lands through several generations, and both this custom as well as several High Court judgments that *bargadars* are tenants have been now abrogated by a stroke of the pen in the present amendment. A healthy system of metayage, as in France or Italy, rests on a sharing of risks between the owner of the land and its tiller; yet according to this amendment this is enough to relegate the peasant to the status of a mere tenant-at-will or labourer. Thus the legal

<sup>1</sup> *Bengal Administration Report, 1921-22, p. 102.*

definition of the *bargadar* as one who undertakes risks of cultivation has killed him economically. Further, the Amending Act has abolished the commutation of produce-rent. It is true that commutation has been a source of friction and litigation between proprietors or tenants of land and actual cultivators, but commutation has hitherto strengthened the claim of the latter for elevation to the status of tenants as opposed to labourers or partners. Thus the abolition of commutation of produce-rent seems to be dictated by the interests of proprietors and tenants, particularly of the non-cultivating middle classes, who let out their lands for getting produce for their subsistence. The protection thus afforded to the actual tiller of the soil is tentative and half-hearted. A frank protection of different types of produce-paying cultivators, who are in possession for a continuous period of twelve years, and have homesteads in the village by giving them the status of occupancy *ryots* or under-*ryots* would reduce the proletarian classes of the rural population and prevent the development of capitalistic relations in agriculture. The non-cultivating middle classes would find under such a legal arrangement remunerative forms of investment in village industries and trade, that cannot flourish mainly because of easy facilities of the acquisition, transfer and sub-letting of land by all grades of society. In these fields measures requiring some boldness are indispensable if agricultural conditions are to be improved or a large section of the inferior peasantry raised in the scale of civilisation.

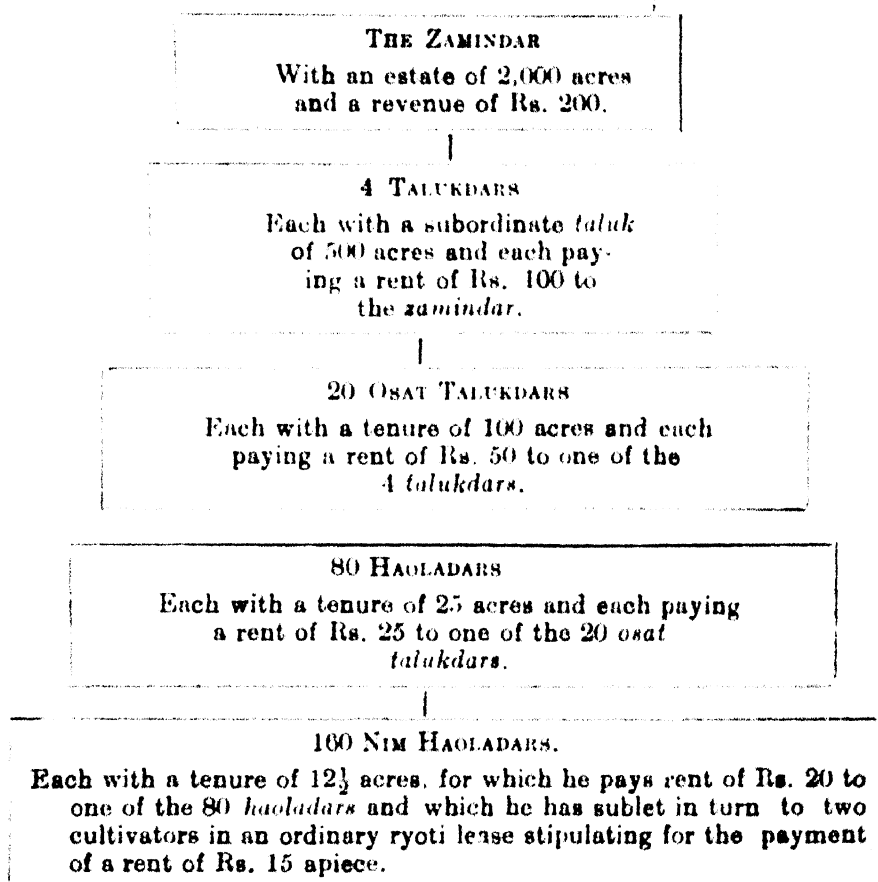
**Origin of Subinfeudation in Bengal.**—There are many reasons why subinfeudation has prevailed more in Eastern Bengal than in Bihar and Western Bengal. The causes are both geographical and historical. In Eastern Bengal there were large forests covered by a network of rivers and streams. This made it impossible for a single person to supervise the reclamation or to collect the rents over a large

area. With the Muhammadan conquest feudal tenure was introduced amongst the soldiery, while the relics of the ancient Hindu principalities were divided into tenures-in-chief in imitation of Muhammadan practice. To meet the increasing demands for revenue, both *talukdars* and *zamin-dars* were driven to reclaim wastes as quickly as possible, and no one could undertake the labour of reclamation without fixity of tenure on easy conditions. In times of anarchy recourse to the protection of a stronger or better landlord usually was sought. Rebellious tenants, on their part, often took an opportunity to obtain an advantageous under-tenure from a weak landlord. Fraud and family arrangements also are responsible for the creation of many under-tenures. In Western Bengal *patni* taluks were first created by the Burdwan Raj because it experienced serious difficulty in paying revenue in the years immediately following the Permanent Settlement. Another cause of subinfeudation has been the rapacity of the landlords' agents. They carved out tenures for themselves and obtained their masters' consent by paying them money when they needed it most. Throughout every grade of the Bengali community there is an irrepressible desire to gain social prestige by the acquisition of land. Thus sub-leases are often bought at high premiums and with little prospect of profit.

We find that grade after grade of tenure-holders have been created in quite an orderly progression and the tenure-holders of each grade by subletting have converted themselves into annuitants whose connection with the estate lies in the simple routine of collecting rent from a few sub-lessees and paying out of the proceeds the rent which they themselves have contracted to pay. At the bottom of the chain come those tenure-holders who collect rent from the actual cultivators. They are the real landlords so far as the management and care of the estate is concerned, and

to them the cultivator resorts for assistance and advice ; but they are numerous, and each has only a small parcel of the estate and a few of the cultivators to deal with.

**Illustration of the Subinfeudation Process.**—The following “tree” from the Settlement Officer’s Report would represent the continuous process of subinfeudation :



Ordinarily, most of the *haoladars* and *nim haoladars* will reserve some of their grants for their residences and their own support. Others, again, will confer *pakka* rights on their cultivator tenants and add a *miras karsa* to the chain. As time goes on, pecuniary embarrassment or domestic happenings will involve assignments by one or other of the

tenureholders and new tenures will be interpolated in the chain. The chain will lengthen but when the process is understood will be found not to have become more complicated; thus :—

TALUK

The *talukdar* obtains a Government post in Allahabad, where he removes with his family. His *osat talukdars* default in their rent, and from such a distance he cannot conveniently agree with them or sue them. He employs a friend in the district who undertakes to collect the annual rental of Rs. 250, to pay the *zamindar* his rent of Rs. 100, to remit Rs. 100 to Allahabad and to retain Rs. 50 for his trouble. The arrangement takes the form of a *miras ijara* lease, is registered and in conformity with custom the *ijardar* pays a small bonus to the *talukdar*.

MIRAS IJARA

Covering the right, title and  
interest of the *talukdar* at  
a rental of Rs. 200.

The *ijardar* finds it troublesome however to collect rent, and one of the tenants undertakes to do it for him for a payment of Rs. 25. A *darmiras ijara* lease in the same form as the *miras ijara* lease is executed to provide for this arrangement.

DAR MIRAS IJARA

Similar to the above *ijara* at a  
rental of Rs. 225.

THE 5 OSAT TALUKS

Originally granted by the  
*talukdar*.

[Of which one has created : ]

**NIM OSAT TALUK**

Covering the whole of the *osat taluk* at a rental of Rs. 55.

One of the *osat talukdars* owing to extravagance, has mortgaged his *osat taluk* and is unable to redeem the mortgage. His creditor accepts a *nim-osat taluk* in lieu of the mortgaged tenure, the rent of which leaves a profit of Rs. 5 only to the *osat taluk* and gives Rs. 45 or the bulk of the profit to the erstwhile mortgagee.

**THE 4 HAOLAS**

Originally granted by the *osat talukdar*.

[Of which one has created an ]

**OSAT HAOLA**

Covering the land of the *haola* at a rental of Rs. 35.

The *haoladar* is an orphan living in the same mess as his uncle, who induces him to create an undertenure in his favour in return for his management of the property. The profit retained by the *osat haoladar* is Rs. 5 out of a total of Rs. 15.

**MIRAS IJARA**

Covering the above *osat haola* at a rental of Rs. 35.

The uncle subsequently takes up land in the Sunderbunds and abandons his old property to his son, to whom in the Bakarganj way he gives a tenure which leaves only a nominal profit of Re. 1 to himself.

THE 2 NIM HAOLAS  
Originally granted by this  
*haoladar.*

[Of whom one has granted a tenure to the cultivator already on the land:]

MIRAS KARSA

The following table shows the conditions prevailing in Dacca, Faridpur and Bakarganj districts and in the main divisions of Mymensingh district as regards the profits of the proprietors and losses due to subinfeudation :—

	Percentage sublet to tenure- holders.	Percentage held <i>khas</i> by proprie- tors.	Actual rent received by proprietors for 100 acres deducting 10 per cent. for land held <i>khas</i> .	Rent paid to proprie- tors by set- tled <i>ryots</i> for every 100 acres sublet.	Loss per 100 acres.
Dacca district ...	33	9	165	225	60
Faridpur .. ...	...	3	151	214	63
Bakarganj .. ...	...	7	140	240	209
Susung .. ...	76	5	63	231	168
Hoeseshahi .. ...	56	3	140	236	96
Joanshabhi .. ...	46	8	84	159	75
Jafarshahi .. ...	30	5	196	245	49
Mymensingh .. ...	16	11	227	272	45
Alapeingh .. ...	17	7	318	354	36
Kagumari .. ...	13	12	363	444	79

**Differences of Eastern and Western Bengal.**—The fertility of Eastern Bengal is much greater than that of the western part of the province. Thus such a device as

purchasing superior rights by payment of *salami* to the landlord or that of *jimba* described by Major Jack in Bakarganj is far more common in the case of the more educated and prosperous peasantry in the Eastern than in the Western districts. The land being more productive can bear more pressure—the income may be distributed among a graded series of tenure-holders. In Western Bengal, the agricultural productivity being less, it does not pay to have several grades. Either way, the system is economically wrong, especially as in Eastern Bengal the pitch of cash rents is low and no single grade derives much profit. Nor is the peasant in the Western districts so refractory as his brother in East Bengal. The Western landlords accordingly find it more profitable to retain their estates in their own hands and are not reduced to the necessity of securing a smaller but safer income by subletting the doubtful privilege of collecting the rents rather than indulge in perpetual contexts with precarious results, as they might have to do with a more difficult peasantry.

In Western Bengal there are fewer of the class from which, so far as the Hindus are concerned, the middlemen of East Bengal are chiefly drawn; *e.g.*, the Brahmans and others, who, while having religious scruples as to cultivating the land themselves, have none as to receiving the profits of its cultivation by others. The Brahmans there are, of course, and the number of rent-free grants to them shows what an important position they enjoyed; but here they confined themselves much more to their original priestly function, and, content with their small allotments, continued for the most part to be the spiritual guides of the small communities among which they lived and to perform the *seba* of the gods.

But there are not wanting signs that a change may occur. Under-tenure-holders who buy up *ryoti* holdings with no intention of cultivating the land themselves have



appeared also in Western Bengal, and so a chain of intermediaries is coming between the proprietor and actual cultivator. Among the numerous co-sharer proprietors of petty estates a tendency is becoming noticeable to sublet their entire interest in the estate where it is too small to afford a decent subsistence, and to seek a livelihood elsewhere. Hitherto the sub-lessee actually has been another member of the family who has elected to stay behind, or a prosperous *mahajan* of the locality, so that no great change takes place; but as education spreads and with it the distaste for the life of the agriculturist or the small resident landowner, which seems its inevitable concomitant in this country—with the growth in fact, of a *bhadroloke* class divorced from any real connection with the land—it seems possible that a state of things approximating to that of East Bengal gradually may arise.<sup>1</sup>

The increase of non-cultivating, rent-receivers everywhere introduces competition rents, and the lower grades of cultivators below the legal peasant line are forced to the margin of existence, while the disparity between occupancy and competition rents threatens the status of the protected tenant. The rent paid by the under-*ryots* are pitched extremely high. According to High Court rulings, section 48 of the Bengal Tenancy Act does not apply unless the *ryot* has sublet his entire holding to a single under-*ryot*. The section can always be avoided by the *ryot* retaining a portion of his holding, however minute, in his *khas* possession, and the position is somewhat absurd. To give a particular instance: a *ryot* the rent of whose holding is Rs. 7-8-0 sublets it to various under-*ryots*, the aggregate of whose rents is Rs. 108.

**Rent Rates in Bengal.**—The following comparison of

<sup>1</sup> Jameson; *Final Report on the Survey and Settlement Operations in Midnapore District*.

rates of rent given by Settlement Officers in Bengal is instructive :

Average rate per acre.

For under-ryots.

Name of District.	For <i>ryots</i> at fixed rates.	For settled and occupancy <i>ryots</i> .	For non-occupancy <i>ryots</i> .	With occupancy rights.	Without occupancy rights.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Noakhali	5 3 2	4 4 5	2 9 6	6 8 6	6 10 8
Faridpur	2 6 7	2 9 2	2 10 6	... ..	3 12 3
Bakarganj	3 1 11	4 8 10	3 12 9	7 3 9	... ..
Dacca	2 2 9	2 13 1	6 1 6	... ..	... ..
Bankura	2 15 0	1 13 9	... ..	... ..	... ..
Midnapore	3 10 0	3 15 5	... ..	8 6 6	4 0 0
Jessore	1 13 5	2 7 5	3 2 5	3 13 6	4 3 0
Rajshahi	2 5 5	3 3 0	2 14 0	6 13 7	5 11 6

A comparison may be made with the rents prevailing in Bihar and the United Provinces :—

Name of District.	For <i>ryots</i> at fixed rates.	For settled and occupancy <i>ryots</i> .	For non-occupancy <i>ryots</i> .	Total.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Champaran	1 2 3	1 14 1	1 12 10	1 13 9
Muzaffarpur	2 11 11	3 12 3	4 9 0	3 13 5
Ghazipur	3 12 10	4 0 11	5 0 6	3 15 6
Benares	3 10 1	4 3 9	5 8 8	4 3 4
Gaya	4 5 6	4 1 1	3 5 6	4 10 3

South of the Ganges in Bihar the incidence of cash rents is high, though the land is not so fertile as in the north. This is partly explained by the fact that the high percentage of produce-rent lands absorbs most of the poor land, and there has undoubtedly been an increase of recent years, the landlords raising the cash rents irrespective of section 29, Bengal Tenancy Act, to conform to the increase in *bhaoli* rents owing to the rise in prices.<sup>1</sup> The rent-rates in Bihar generally have been on a higher level than in Bengal for the last fifty years on account of greater competition for land. The Rent Law Commission of 1880 observed: "In Bihar the population had come to press closer upon the land than in Eastern Bengal. The land-owners accordingly had the advantage in the former province, and were able to maintain the system of payment in kind and push rents up to a point which leaves the cultivator but a bare subsistence; while in the latter part of the country, unreclaimed land being abundant and cultivators scarce, the *ryots* had the advantage and were in consequence able to procure land on very favourable terms. Thus various tenures at low rents came into existence in eastern districts, to which we find nothing similar in Bihar." There is a tendency now noticeable in the less thriving districts of Bengal towards the supersession of money-rents by produce-rents. During the greater part of the nineteenth century, the tendency was all the other way. Produce-rents, originally necessitated by primitive social and economic conditions in which money had small value, and by the uncertainty of crops due to the lack of protective measures against floods or the uncertainties of rainfall, gradually gave place to money-rents as security grew and agricultural conditions improved. The reversion to produce-rents, which is a feature of quite

<sup>1</sup> Tanner; *Final Report on the Survey and Settlement Operations in the District of Gaya, 1911-1918*, pp. 95-96.

recent years, indicates that competition for land is becoming severe, for no one would accept a tenancy on such a rent, representing as it does twice or thrice the money-rent for similar lands, were he not compelled to do so.<sup>1</sup>

The rent at which the lands of *ryots* are sublet are the best index to competitive or economic rents. The settled and occupancy *ryots* in Bengal and Bihar hold rents and rates of rent which may not be arbitrarily enhanced. The non-occupancy tenant is rare, and he also is protected against unreasonable demands by the Tenancy Acts. There is no doubt that in the case of a surrendered, purchased or abandoned holding, the *zamindar* can let it at a competitive rent, but he prefers to settle it at a customary rate and to take a premium, the amount of which depends upon the competition for land. In the case, however, of under-*ryots* who hold land on lease, there is usually no restriction to increase of rents, the level of which is purely a matter of land supply and demand.

In Bengal, the *utbandi* tenants formerly possessed the least secure title. According to the strict interpretation of law, unless the *utbandi* tenant acquired rights of occupancy, as soon as he ceased to cultivate the land reverted to the possession of the landlord and the tenant retained no lien upon it. The *utbandi* rates of rent have been much higher than the *jamai* rates, as shown below :

<sup>1</sup> See *Final Report on the Survey and Settlement Operations in the District of Midnapur, 1911-1917*, p. 113.

	Settled and occupancy. rights.	Utbandi rates in different areas:								
		Nominal <i>utbandi</i> with occupancy rights.						Nominal <i>utbandi</i> with non-occupancy rights.		
	Rs. A. P.	Rs. A. P.						Rs. A. P.		
Nadia ...	2 8 5	Area No. I 3 4 6						3 12 2		
Jessore—		.. II 3 13 4						3 12 11		
Magura	2 5 2	.. III 3 7 4						4 4 10		
Narail	2 5 7	.. IV 3 7 6						3 10 8		
Jhenidah	2 5 4	The whole								
Baurgaon	2 4 6	area 3 8 7						3 15 4		
Sadar	2 10 8									
Midnapur—										
Tamlook	5 8 4									
Ghatal	6 4 4									
Contai	2 10 9									

Under the provisions of the recent Utbandi Act all settled *ryots*, or those who but for the operation of section 180 of the Bengal Tenancy Act, would be settled *ryots*, may apply for conversion of *utbandi* rents to lump rents. The new rent is based on the average amount received by the landlord in the preceding six years, modified, if necessary, by comparison with the ordinary rents for similar land in vicinity and by various other consideration. *Salami* is also payable in cases where the *ryot* did not obtain occupancy rights in his *utbandi* holding.

Similarly, under-*ryots* usually have to pay very much higher rents than the settled and occupancy *ryots*. The following figures, from a survey of eight small private estates in the Dinajpur district, show the different classes of *ryots*, the average rent per cultivated acre payable by each class and the average size of holding in possession of each class :

Class of cultivator.	Average area of cultivated land per holding.	Average rent per cultivated acre.		
	Acres.	Rs.	A.	P.
<i>Ryots</i> at fixed rates or fixed rents	7.29	1	13	0
Settled <i>ryots</i>	3.15	1	15	0
Occupancy	2.54	1	12	0
Non-occupancy	2.30	1	5	0
Under <i>ryots</i>	2.26	2	15	0
Average	3.10	1	15	0

In the district of Midnapur the average size of holding is the smallest in the case of under-*ryots*, while the rent they pay is much higher than the average occupancy and non-occupancy rates.

		Average size of holdings.	Rent.		
		Acres.	Rs.	A.	P.
<i>Ryots</i> at fixed rates	...	1.99	3	10	0
Settled <i>ryots</i>					
On Cash rent	...	1.34	3	15	5
On Produce rent	...	0.96			
Occupancy <i>ryots</i>					
On Cash rent	...	2.16	2	13	11
On Produce rent	...	0.19			
Non-occupancy <i>ryots</i>					
On Cash rent	...	1.88	4	13	4
On Produce rent	...	1.37			
Under- <i>ryots</i> of first degree					
With occupancy rights	...	0.43	3	7	6
Without occupancy rights	...	0.41	6	11	6
Under- <i>ryots</i> of 2nd and lower degrees	...	0.56	6	3	5

The holdings of under-*ryots* everywhere are comparatively small. Taking the district of Faridpur as a whole, the average size of holding is only 1·39 acres. The average is reduced by the pettiness of the holdings for which rent is paid in kind, for those held at a cash rent average 1·78 acres. The holdings of under-*ryots* are even more minute, those paying a cash rent being four-fifths of an acre and those paying produce-rents half an acre.<sup>1</sup>

Where the holdings are so small, they interfere with improvements, increase disputes, lead to waste in having to keep boundary *ails* and generally tend to become uneconomic.<sup>2</sup> Thus the under-*ryots*' position is precarious. It is the actual cultivator who requires protection; the name which law gives to the fictitious cultivator, however, persists. The land laws of Bengal seek to protect the occupancy *ryot*, a creature of statutes. Protection is necessary for the man who tills the soil—the peasant who represents the ancient *khudkhast ryot*. The process of subletting by the peasantry inevitably paves the way for the pernicious cottier system. This happened in Ireland where there have been in some areas as many as five or six degrees of interest intervening between the proprietor and the actual cultivator. In Bengal agrarian history is repeating itself; and it is incumbent on us not to neglect the hardly-won lessons derived from it. The greater pressure of population on the land in Bengal is likely to lead to a situation more acute.

<sup>1</sup> *Faridpur District Gazetteer*, pp. 92-93.

<sup>2</sup> For the disadvantages of small holdings, see Mukerjee: *Rural Economy of India*, Chap. III.

## CHAPTER VIII

### ABSENTEE LANDLORDISM : FORMS OF RENT AND IRREGULAR EXACTION

**Farming System.**—We should not attribute the neglect of the great estate by the landlord solely to subinfeudation. It is true that in Bengal the *patnidars* are often absentees, who sublet to *dar-patnidars* and these again sublet. In Western Bengal, the rents payable by the *patnidar* are often very high in proportion to their collections from tenants; being absentees they do not make the most of their properties. The result is that the *patnis* are continually changing hands. In the districts of Bankura alone out of 238 *patnis* held under the Maharajah of Burdwan, no fewer than 54 have been sold up during the last ten years. Absentee landlordism thus brings about a most inefficient method of estate management. Similarly in Eastern Bengal, the numerous tenure-holders, one below the other, are often absentees and cannot improve the resources of their estates. But even in estates without any subinfeudation, there is no tendency to improve the land or to ameliorate the condition of tenants. The reason lies far deeper. The landlords have lost touch with the tenants. Many influences have brought about an increase in absenteeism. This, more than subinfeudation, accounts for the neglected condition of the estates in Bengal, Bihar and the United Provinces. In Bihar the *patni* tenures, though occasionally met with, are rare. Here the *ijara* or *thika* system, by which portions of an estate are leased for a term of years, not finally for cultivation but for collection of rents, is far more common. Thus, *patni*



tenures are replaced by *istimrari* (permanent), *mukarari* (fixed) and *maurusi* (heritable) tenures. Subinfeudation has not in any part of this province gone to the length it has reached in Bengal, and it is rare for more than two rent-receivers to intervene between the *zamindar* and the *ryot*, while extensive areas are held still by *ryots* paying rents direct to *zamindars*. Very often superior proprietors have landed interests at different places and manage the estates absolutely on financial lines. It is then that the evils of absentee landlordism are most plainly seen. As in Eastern Bengal, the *thika* or farming system sometimes originated in the grant of a tract of jungle land for purposes of reclamation. In this case the *thikadar* is directly interested in developing the agricultural resources of his tract, so that the system, if properly managed, is the best possible. Where the limit of reclamation has been reached as far as is possible with the means and capital at the disposal of the *thikadar* and *ryot*, or where the settlement is one for the farming of the rents merely, the *thika* system is bad in every way. In its extremest form, the *thika* system is a system of bleeding. The temporary farmer cares for nothing but to take as much profit as he can out of his tract during the term of the lease. He will not make any outlay on improvements because his period is too short for him to expect any adequate return, and he cannot be at all certain that he will be able to get the lease for a succeeding term. The *ryots* themselves have to pay rents too high to allow them to expend any money even on the upkeep of such irrigation works as exist, and the *thikadar* will not assist them. Consequently not only is there no development of the resources of the village by formation of irrigation works, which are absolutely necessary for the security of crops in the area ; but such tanks and *ahars* as do exist are allowed to fall into disrepair and to be silted up. In fact, the *thikadar* prefers that they should be silted up, because he can then annex their beds to his

own *bakhast* land and grow excellent *rabi* crops of wheat and barley on them.

The practical result of the purely farming system is thus to decrease the quantity and quality of cultivation in the area rather than to increase it, and to throw an ever weightier burden on the shoulders of the *ryots*, whose rents increase while their crops diminish and who have no one to whom they can turn for aid.<sup>1</sup> On large estates, rather than undertake the management themselves, the proprietors let out their village on short-term leases and live in the city where they spend most of their income. In some cases, *e.g.*, where the farmer of revenue is a member of the community to which the bulk of the *ryots* belong, the system works successfully, the *thikadar* acting as a buffer between the landlord and the *ryots*. But where the farmer is an outsider, the *ryot's* difficulties are increased tenfold, for the farmer has but one object, to make hay while his sun shines or his lease lasts, by screwing the last farthing out of the unfortunate tenants. From the absentee landlord's point of view the *thikadari* system is a safe method by which he can squeeze the *ryots* indirectly without contravening the law. The professional *thikadar* is extraordinarily common in such districts as Palamau and Hazaribagh. In Barahabhum in the Manbhum district in 331 villages out of 696, and in Patkum in 126 villages out of 262, subinfeudation is carried on to the second or third degree. *Ryoti* holdings also are sublet either in whole or in part. In many cases there are lands which grow special crops and which the *ryots* find it more profitable to sublet than to cultivate by hired labour. In some cases the under-tenant is the same person as the original or *asal ryot*, holding his own land on a sub-lease from the man to whom he has mortgaged it. Orchards,

<sup>1</sup> See *District Gazetteer, Monghyr*.

fisheries and markets are all let out to bring income. Sub-leasing of *ryoti*-lands to *dar-ryots* is more common than elsewhere in Chota Nagpur, and such sub-leases are frequently by practice and custom of a permanent nature. Consequently, it is not uncommon to find under-*ryots* who have been in occupation of the same holding for two or three generations, and there is no doubt that by local custom such persons have a right of occupancy.

**Produce-paying Tenancy.**—The rental system in Bihar is *nagdi* or *batai*. When it is on the share basis, the division between the landlord and the tenant varies from half and half to 9 : 7. When rents are paid in cash they usually are collected at the time of the several *kists* of the year by *gumashtas*. These are given some share at the time of the harvest. It may be interesting to note that some of the Bihar districts are noted for their especially high incidence of rent. In some areas the rents are too high. In the district of Saran, for instance, the average incidence of cash rent per acre is Rs. 4-7-0. In the Sadar subdivision the rent rates are much higher. The highest rent is Rs. 21-7-0, per acre and it is the highest in the district. Forty-seven villages bear more than the average rent of Rs. 10 per acre, which is more than one fourth of the gross produce. Similarly, in the Gopalganj subdivision, the average rent is found to be more than one-fifth of the gross produce in about 3,000 villages and in 47 villages more than one-fourth. Such high rents can only be paid as a result of high intensive farming and the cultivation of crops of special value, such as sugarcane, tobacco and potato. The people also migrate in large numbers in order to supplement their income. It should be pointed out in this connection that the application of section 32 of the Bengal Tenancy Act for enhancement of rent on the ground of rise in prices results in grave injustice in congested districts where holdings are non-economic for rents are at a high level already, and the rise

in prices brings no benefit to a large proportion of the cultivators who have any surplus food grains for sale in the markets. The road-cess payable by the landlord is realised often from every tenant as a contribution, varying from 1 to  $2\frac{1}{2}$  seers of grain per maund. Produce-rents are of different kinds. Under the *Batai* system, the division of the produce is made where the grain is thrashed out. Under the *Bhaoli* system, the standing crop is appraised and the due proportion of the crop, after customary deduction, handed over to the landlord on the basis of the appraisement. It is usual for *ryots* to take the entire yields of certain crops which are difficult to divide, such as sugarcane, tobacco, etc., and to pay a cash rent for the area so cropped in the year. Other varieties of produce-rent tenancies are *man-khap*, where the *ryot* has to deliver a certain number of maunds of a specified crop for each *bigha* of land; *mahunda* where the *ryot* delivers a certain number of maunds for his entire holding; and *chauraha*, where the payment is made in cleared rice and not in unhusked grain.<sup>1</sup> On small or big estates where personal relations exist the produce-rent system gives the *zamindar* sufficient direct interest to keep up the means of irrigation. The characteristic feature of the *batai* or *bhaoli* system is that the irrigation water is almost always supplied by the landlord at his own cost. The cost of *gillandazi*, division of land into plots by *al* or *ail* according to their levels, for the storage of the necessary quantity of water, and for erecting embankments on the banks of rivers for the protection of villages from being overflowed, are paid most often by the *zamindar*. In dry years he pays the cost of sinking wells. Since his income depends upon the increase or decrease of the yield, he also exercises a general supervision over all the agricultural

<sup>1</sup> For details see *Bihar and Orissa First Decennial Review*, pp. 170-171.

system to extend, though it is far less prevalent than in Bihar and Orissa. In the Bankura district, no less than 11 per cent. of the total area in possession of settled *ryots* is held on *sanja*, the rent consisting of a fixed amount of the produce irrespectively of yield. In Midnapur, the proportion is 4 per cent. *Bhag* rent, which consists of a portion of the crop, generally half, accounts for a further 5 per cent., and mixed cash and produce rents for 9 per cent.<sup>1</sup> There is no doubt that these forms of rent are a most unfair burden on the *ryot*. *Sanja* is generally equivalent to one-third of the crop in a normal year, and it has to be paid in good and bad years alike, while the mixed rent often represents a higher proportion. In Midnapur, occupancy *ryots* who pay a produce-rent form 8·07 per cent. of the total number of interests. The figures for Bakarganj and Dacca are 3·5 and 2·2 respectively. In the Dacca district, *ryots* at produce-rents are found to occupy 39,603 acres and the proportion of the cultivated area is in one *thana* as much as 15 per cent. Under-*ryots* at produce-rents hold another 15,751 acres. In Faridpur there are found to be 91,744 acres held by *ryots* at produce-rents, and the proportion in one *thana* is as high as 22 per cent. In many districts in Bengal the system is now on the increase being an imposition by small landlords and moneylenders on the defenceless and unsophisticated cultivators.

**Tenant Protection in Bengal, Bihar, etc.—Illegal Cesses.**—The Bengal Tenancy Act is in force in Bihar in the districts of Patna, Tirhut and Bhagalpur Divisions (excepting the Santal Parganas). Chota-Nagpur and Orissa (excluding Sambalpur) now have each a Tenancy Act of their own, while the relation between the landlords and the tenants in the Santal Parganas is governed by the Santal Parganas

<sup>1</sup> Jameson's note appended to the *Bankura Settlement Report*, p.6.

Rent Regulation, III of 1912 and II of 1886, and in Sambalpur by the Central Provinces Tenancy Act X of 1898. All these Acts are intended to afford protection to the tenants in the different provinces where landlordism prevails. Yet differences between landlords and tenants are acute in many areas: these commonly arise out of the commutation of rent paid in kind, the right of tenants to trees on the holdings, the right of fishing in occupancy holdings, the right to transfer and the levy of *nazarana* and illegal *abwab*. Instances are met with where landlords make determined attempts to prevent the accruing of occupancy rights. The device usually employed is some form of temporary lease, which is often oral, in order to give a greater hold over the *ryot*. Sometimes, the landlords force a re-shuffling of the *ryot's* holdings. When the identity of the plots is lost, resettlement at enhanced rent-rates becomes easy. Rent receipts are sometimes withheld, and in the absence of papers the tenants are at the mercy of the landlord. Flagrant instances of illegal enhancement of rent are also not unusual. In the backward parts of Bihar and Northern and Eastern Bengal, instances of wrong-doing and oppression are still quite common. The tenants are generally so poor and ignorant that they constantly acquiesce in the violation of their rights by the *zamindars* for fear of worse happening to them. Those who resist are systematically crushed by the institution of false witnesses.

The practice of levying *abwabs* and illegal cesses in addition to the legal rent by the agents of private proprietors continues to prevail throughout Bengal, Bihar and Orissa. The word *abwab* has now come to imply an illegal exaction. Originally it had no sinister meaning. Such was the universality of corruption in the country in the eighteenth century, that for the Moghul *dewan* or even a private *zamindar* to attempt to revise the assessment of revenue or rent on the basis of a measurement of the land in occupation and under

the plough would have been to invite wholesale fraud, and both the Government and the *zamindar* adopted the *abwab* as an alternative expedient. The *abwab* was merely an enhancement of the revenue of the *zamindars*, and by the *zamindars* of the rents of their tenants to meet the increased revenue, made rateably upon existing dues.<sup>1</sup> At present the cultivator or ryot alone pays *abwabs*. Tenure-holders pay hardly any. Such *abwabs* as have the sanction of ancient custom are paid by the tenants usually without protest and the provision of the Bengal Tenancy Act which empowers the tenant to sue for recovery of the *abwab* realised remains unused. *Abwabs* of anything from one to four annas in the rupee are common. Where rents are low they amount often to eight annas in the rupee. Small *abwabs*, such as *tahari*, *mamuli*, *parbani*, *dak kharcha*, *tol kharcha*, *tahsilana*, *raja-dhuti*, and *dakhila kharach* are realised when the rent is paid. *Harahari batta*, *company batta*, *parkhai batta* and *hisabana* are other small impositions. In districts where the estates are interspersed among jungles, there are many *abwabs* exactly corresponding to feudal levies. Marriage fees, artisans' taxes, fines for social offences, etc., are still common on old semi-feudal estates. The system of compulsory labour for a certain number of days is still in vogue in many parts of Bengal. *Punya*, which is an annual levy, is quite common. *Sairat*, in spite of its abolition at the time of the Permanent Settlement, is still collected at the principal markets throughout Bengal. A particularly objectionable form of *abwab* is prevalent in Birbhum. On one of the estates the *zamindar* distributes goats and geese among his tenants and demands at the end of five years half the number of expected kids and eggs, or money or land in lieu thereof. In many districts the *zamindar* excavates or

<sup>1</sup> Thompson : *Final Report on the Survey and Settlement Operations in the District of Tippera*, 1915-19.

reclaims the tanks and charges a rent of Re. 1, for instance, for every *bigha* of land which is supplied with irrigation water. Another objectionable impost is known in Dacca, namely, the levy of large sums from the tenants as *salami* for permission to dig tanks and ditches and construct roads, thus ignoring the provisions of sections 76 and 77 of the Bengal Tenancy Act. It is probable that such *salami* is levied commonly throughout the province. The right to settle on a piece of land often is put up to auction and seldom fetches less than ten times the annual rent, while as much as Rs. 75 a *bigha* sometimes is paid. Road and public works cesses are sometimes realised from the *ryot* at twice or thrice the authorised rate—and a cess of one anna or more in the rupee of rent, which is distributed among the collecting staff, is almost universal. *Marcha* is an *abwab* occasionally paid to the landlord when a marriage takes place in the tenant's family, and on some estates *abwabs* are collected to defray the costs of a *sraddha* or *anna-prasana* ceremony in the zamindar's household, to pay for his purchase of a horse, or a motor car, or, again, to meet the expenditure of dispensaries, temples, schools and theatres. *Mela Kharcha* is realised for meeting the charges of a market, and *makardama kharcha* for the expenses of litigation of the landlord. A law suit in a landlord's family in Murshidabad recently has led to the levy of as much as 24 annas of the total rent. There are also small levies for permission to use an umbrella and a palanquin, or to ride an elephant on the occasion of a marriage in the family. Whether the *abwabs* become a source of oppression or not depends upon such factors as good or bad management, absentee or resident landlordism, the presence or absence of a powerful class of permanent tenure-holders, etc. It is not seldom that the *abwabs* and *kharcha* are collected with an iron hand and are considered to be the first charge on the tenant, even in preference to rent. It



is also quite common for the *zamindar* to levy small imposts year after year on various pretexts and occasions, and then to assimilate the *mamuli* subscription into rent after a period of, say, five years. Thus a rent of Re. 1-8-0 is gradually increased to Rs. 5 per *bigha* and the tenants pay without murmur. In some of the powerful estates of Eastern Bengal, intimidation is resorted to for a regular collection of illegal imposts and the employment of a crew of clubmen to overawe the tenants is quite common. In Bakarganj the frequent and systematic levy of *abwabs* has made the system an intolerable burden. Both in Bakarganj and Dacca the limitation of this evil is due solely to the fortune by which a complex system of petty landlords has grown.

In Bihar *abwabs* or illegal cesses in the names of *mangan* (a kind of forced benevolence), *nocha* (what is snatched away), *sidha*, *amin kharcha*, *kila*, *sonari* (payment for the weighman) and *manseri* (one seer in the maund of the landlord's original demand) generally are imposed and realised by petty *zamindars* themselves and by the *patwari* and other employees of large *zamindars* at the time of realisation of rent, as *tahrir* and *farkhatana*, the former at every *kist* and the latter at the close of the year or when a *ryot's* account is closed. The commonest *abwab* is *dahiak*, most commonly of 1½ or 2½ seers in the maund of total produce after remission of *masi*. Another common imposition is *painkharcha*, literally, irrigation due, a name frequently used to disguise the illegal nature of the *abwab* demanded. A custom grew up by which the *ryots* of the indigo-planters of Champaran grew indigo on a certain proportion (⅓) of their holdings, and sold the produce to the indigo factories at a price fixed from time to time. This arrangement, though nominally a free contract, was in reality compulsory on the *ryots*, and was analogous to the *abwabs* or illegal impositions generally exacted by Bihar landlords, the difference being that whereas the

collection of the latter is usually spasmodic, secret and known to be illegal by the landlords themselves, the indigo-planters of Champaran openly and with the full knowledge and acquiescence of the local authorities systematised the enforcement of what they undoubtedly believed to be an old-established and legal right. When indigo cultivation and manufacture declined, the planters endeavoured to levy from the *ryots* compensation for being released from obligation to grow indigo in the form of an additional rent called *sharahbeshi* or a lump sum called *tawan*. This led to discontent and to a public inquiry and finally to the introduction of legislation in 1918, the Champaran Agrarian Act. This Act abolished the *tinkathia* system, and rendered invalid existing or future contract between a landlord and a tenant which contains a condition to set apart the land of the tenancy or any portion thereof for the cultivation of a particular crop. The amalgamation of *abwab* with the rent has been going on in Bihar. Formerly the village servants were paid little or nothing by the landlords and were expected to support themselves by these *abwabs*. There is now a tendency to introduce the system of paying the village servants by cash wages, and for the landlord to take the *abwab* formerly given to them.<sup>1</sup> The general incidence of *abwab* varies in practice from 30 per cent. to 120 per cent. of the legal *ryoti* rental. The following figures are taken from 10 villages on the Ramnagar Estate, Champaran District :—

Average holding	...	3 <i>bighas</i>
Average rent per <i>bigha</i>	...	Rs. 8-10-6

The following demands are made on the *ryot* :—

		Rs.	As.	P.
Rent	...	10	15	6
<i>Pain kharcha</i>	..	9	0	0
<i>Bandh behri</i>	...	0	11	0
<i>Hisabana</i>	...	0	11	0
<i>Tahrir</i>	...	0	5	6
<i>Dasahara</i>	...	0	5	6
		<hr/>		
Total demand	... Rs.	22	0	6
Incidence per bigha		7	5	6

The *ryot* in this case is subjected to illegal taxation to the extent of 120 per cent. of his rent.<sup>1</sup> The *Thikadars* in Bihar are particularly obnoxious in the levy of irregular and illegal cesses or items which the *zamindar* is either unable or unwilling to claim for himself. Indeed, the *Thikadar's* margin of profit, and his subsistence consist mainly of illegal levies.

In Orissa also illegal cesses are generally imposed and realised by petty landlords and their employees. The most common exactions are *nazar* (fee paid on any application to the *zamindar*), *tahsil kharcha*, *bibhachina* (marriage fee), *sunia-bheti* (fee by way of acknowledgment of landlord's authority), *mangan* (miscellaneous subscription), *salami* (fee on the occasion of *zamindar's* visit) and *paida meadi* (realised when a peon is sent to a *ryot* to demand rent or to summon him to the *zamindar's kucchari*). In one estate alone, as many as seventy-two kinds of illegal cesses have been counted. Among these may be mentioned cesses on hair-cutting, on eggs of tortoises, on castration of animals, on cowdung, on fish, on fuel, etc. The administration is practically powerless to deal with such illegal exactions, and it seems that a legislative enactment conferring on the District Collector summary powers to fine landlords for the exaction of *abwabs* is

<sup>1</sup> *Champaran Settlement Report*, p. 46.

necessary. The tenant can hardly be expected to muster enough courage to sue the landlord or complain in court for such exaction. Another form of illegal exaction which prevails, for instance, in Cuttack and Balasore, consists in giving a small advance in harvest time to the tenant who is compelled to contract the sale of crop at a lower rate than the prevailing price. Thus section 75 of the Bengal Tenancy Act, which in its existing shape is inoperative, should be amended in order to give power to the Collector to deal summarily with cases of illegal levy. On many estates *begar* labour is exacted at times from the *ryots*. With a few exceptions the landlords throughout the permanently settled estates seldom display any practical interest in the improvement of the condition of their tenants, while the inferior landlords are particularly obnoxious as regards the levy of *abwabs* and enhancement of rent. On the other hand, tenants often would withhold their rents because the law's delays and the comparatively low rate of interest charged on arrears make it worth their while to evade payment as long as possible. Thus, the relations between the landlords and tenants are on the whole unsatisfactory, and become severely strained whenever the inferior landlords treat the ownership of land simply as a financial investment through a long series of middlemen who widen the cleavage between the actual proprietors and the actual tillers of the soil.

**Nazaranas and Rents in the United Provinces.**—In Bengal and Bihar the system of taking *nazaranas* or premiums from the tenant is not, however, so obnoxious as it is in the United Provinces, because of the prevalence of occupancy rights. The oldest form of *nazarana* in the United Provinces is that paid for the permission to plant a grove. It is more or less a manorial due exacted by the landholder. Another species of *nazarana* is that paid by the tenant for constructing wells. This corresponds to the *nazar* realised

by some of the estates of Bengal for excavation of a tank. Sometimes it is a nominal amount, which is returned by the *zamindar* along with a present to the tenant of a *kodali* and a *sanad*; sometimes it is as high as the price of the land. The common form of *nazarana*, however, consists in the payment of a lump sum of money by the tenant for his holding over and above his recorded rent. This is practically nothing more than a means of concealing the rental. *Nazarana* usually is levied also for admission to a tenancy. No doubt payment will be made in the lump by the tenant to the landlord whenever security of tenure is to be gained thereby. The less the security, the more widespread is the payment of *nazarana*. For example, in Oudh, where the tenant was less protected, the *nazarana* had been a greater evil than in Agra, though its causes were the same. The only security of tenure to be obtained under the old law in Oudh being for a term of seven years, and the landlord being restricted by law to an enhancement of  $6\frac{1}{4}$  per cent., the *nazarana* had become a combination of forms. It was paid partly for admission to the tenancy and partly to enable the landlord to take full advantage of the rise in prices and the competition for land; and the opportunity for taking it arose every eighth year. In Agra the opportunity for taking admission *nazarana* arose only in the case of the (fortunately comparatively few) non-occupancy tenants. In the ordinary course of events this was when a tenant had reached his eleventh year of occupancy. In so far as complete security of tenure has not been obtained by the tenant, even under the new Acts, the conditions would still allow an adequate scope for the payment of *nazarana*. At each surrender of tenancy or renewal of lease, after a course of life-tenancy, or at each settlement of an occupancy holding when it is given up for arrears of rent or otherwise, the landlord still has an option to exercise as regards the form of payment which would represent the price of the

tenant's admission or security of tenure. The greater the competition for land, the higher will be the *nazarana*. On the other hand, the same economic causes which govern rent limit the amount of the *nazarana*. No doubt these cesses are disappearing, but there is visible an increasing tendency of the *nazarana* to take the place of enhanced rentals everywhere ; and, if such *nazarana* becomes widespread, it will tend to defeat to a large extent the tenancy law. Only the spread of education and the tenants' knowledge of their own rights can check such a tendency. Above all, permanence and heritability of rights alone can restrict opportunity to the *nazarana*-hunter. In Oudh the Rent (Amendment) Act of 1921 was directed mainly at obtaining for the tenant a degree of protection which would give him some security of tenure subject to the payment of a fair rent, and which would remove the two main evils of the past, namely, arbitrary ejection by notice and the exaction of *nazarana*, securing to the tenants a life-tenure at a fair rent with five more years' tenure for their heirs. This Act was admittedly a compromise, and as such it does not afford a prospect of the solution of the agrarian question. Throughout the United Provinces the level of non-occupancy rents is often much higher than that of occupancy rents, in the absence of any statutory limitation of the enhancement which may be imposed upon rents by decree. The following index numbers show the level of existing rents and rates of assessment in Muzaffarnagar :—

Old occupancy rents	...	...	...	75
Standard rates of assessment	...	...	...	100
Occupancy rents of between 21 and 30 years	...	...	...	108
Occupancy rents of between 12 and 20 years	...	...	...	155
Non-occupancy rents	...	...	...	186

The range of the corresponding figures for the Bulandshahr, Saharanpur and Muttra districts shows little divergence from these.<sup>1</sup>

<sup>1</sup> Report of the United Provinces Settlement Committee. 1922.

The following table giving the percentage of occupancy to other tenancy rates in 1904, 1910, and 1930 clearly shows that the divergence between the occupancy and other tenant's rates has continuously increased during all these years, and the latter now are in many districts more than double the former :—

Districts	1929-30 (1337 Fasli.)		Percentage of occupancy to other tenant's rate.		Percentage of
	Occupancy rate per acre. 1	Statutory tenant's rate per acre. 2	1904. 3	1910. 4	Col. 1 to Col. 2. (1929-30) 5
	Rs.	Rs.			
Saharanpur	5.8	13.3	72	63	44
Muzaffarnagar	6.1	16.9	58	53	36
Meerut	6.4	16.3	60	54	39
Bulandshahr	6.6	14.8	60	54	45
Aligarh	7.1	13.3	60	56	53
Mainpuri	5.3	10.2	81	75	52
Etah	4.8	9.1	95	87	53
Bareilly	5.2	9.2	85	74	57
Bijnor	6.9	10.9	86	81	63
Budaon	4.4	9.3	85	70	47
Shahjahanpur	3.8	5.9	100	90	64
Pilibhit	4.7	5.2	127	123	90
Farrukhabad	5.4	8.7	107	92	62
Etawah	6.2	10.8	91	85	57
Fatehpur	5.1	8.4	98	95	61
Benares	4.8	9.2	75	74	52
Jaunpur	5.2	7.3	92	91	71
Ghazipur	4.5	8.5	73	70	53
Asamgarh	5.6	6.7	?	98	84

There is a large difference in most districts in the rents of the relatively small holdings of the non-occupancy tenants. On account of the competition for land, the non-occupancy tenants not only pay a high *nazarana* on admission to tenancy, but in addition their rents are pushed up to a point which leaves them a bare minimum of subsistence.

The following table shows the area and recorded rental of the holdings of those tenants in the United Provinces who are not protected by occupancy or other rights. The figure of rental incidence takes no account of short collections, and on the other side it is to some extent vitiated, and particularly so in the Gorakhpur division, by the omission of premiums or *nazaranas* and of unrecorded cesses. It may be assumed that the figure for the Gorakhpur division lies between the figures for Benares and Fyzabad :—

Division in U. P.	Area and Rental of Statutory Tenants in U. P. in 1924-30 (1337 Fasli).			
	Area.	Rent.		Incidence.
	Acres.	Legal Rent Rs.	Excess demand Rs.	Rs. per acre.
Meerut	988-287	1484-3495	114-709	15-1
Agra	915-779	9609-124	60-813	10-5
Rohilkhand	1133-155	1020-9971	55-921	9-1
Allahabad	663-343	5750-747	64-211	8-8
Jhansi	913-227	3455-070	73-527	3-9
Benares	337-721	2183-001	8-007	6-5
Gorakhpur	732-478	4082-586	52-057	5-6
Lucknow	2571-016	2062-7377	119-574	8-1
Fyzabad	2999-930	2268-6159	407-029	7-6



The following figures show the area, valuation as well as rental incidence in districts which recently have come under settlement :—

Name of selected District.	Area and valuation of one select district in each division.					
	Area.	Valuation.	Incidence.	Area.	Valuation.	Incidence.
	Acres.	Rs.	Rs. per acre	Acres.	Rs.	Rs. per acre.
Muzaffarnagar	1.84	11.05	6.02	7.02	42.24	6.02
Muttra	2.31	14.64	6.3	7.32	40.67	5.6
Bareilly	1.17	4.50	3.86	7.74	33.20	4.29
Fatehpur	1.02	4.65	4.57	6.04	29.73	4.92
Banda established	2.59	6.56	2.53	7.45	19.68	2.64
Nantor	1.05	98	.93	1.68	1.57	.93
Average of Basti and Fatehpur	2.16	11.88	5.5	9.64	49.91	5.2
Basti	3.30	19.12	5.8	13.24	70.10	5.3
Rae Bareilly	4.54	27.44	6.05	5.94	36.02	6.07
Bahraich	3.32	14.89	4.5	6.86	26.24	3.8

### Landlord's Exactions in the Central Provinces.—

In the Central Provinces the rent of an occupancy tenant is fixed at settlement, and is liable to enhancement by a Revenue officer. His tenure is heritable by direct succession, or by collaterals in the male line up to the seventh degree, but is not transferable excepting to an heir or co-sharer, or by a sublease for one year. Until lately non-occupancy tenants have been holding almost at the pleasure of their landlords, and have been rack-rented severely. But the Settlement Officer now has power to reduce exorbitant rents. As in the case of occupancy tenants and for the

same reasons, the non-occupancy tenure has been made heritable in direct succession, but not by collaterals unless they are co-sharers in the holding. A wide divergence between occupancy and competition rents has serious drawbacks: it threatens the occupancy status by engendering the hostility of landlords; it produces the evils admittedly resulting from subletting and subinfeudation, whether open or clandestine; it lowers the productive power of the cultivators by stinting their necessities; lastly, it tends to encourage wholesale emigration, so that the increase of rents is paid from earnings outside the districts, which as a matter of fact already contribute largely to the collections. The leases are for very short terms and are meaningless in the case of powerful *zamindars*; the arrears seldom are allowed to fall due and the security of tenure is *nil*. Extra dues frequently are taken, especially on the larger estates, the most usual being:— (1) Fodder, so much per plough; (2) *ghi*, so much per buffalo; (3) milk at festivals, etc.; (4) village expenses; (5) weighing dues; (6) sale of grain at cheap rates; (7) forced indigo, and its sale at cheap rates; (8) *nazarana* on renewal of leases or attestation of occupancy rights; (9) commission on canal rates collected; (10) commission on mud taken from tanks for bricks, so much per 1,000; (11) interest on rent arrears, which are encouraged by rack-renting; (12) forced labour, now commuted into cash.

Another form of *nazarana* found in some districts is a payment of Re. 1 or Rs. 2 made by each tenant to a non-resident proprietor when he visits a village. From this payment as a rule low-caste tenants who furnish *begari* service are exempt, but in some cases they are compelled to pay, and some proprietors who do not reside at a distance even make levies of this kind each year. Levies are also made for special purposes, such as the purchase of a horse

or a motor car ; for a marriage or the celebration of the *Holi* festival ; or, again, to meet an assessment of income tax—the levy in this case being made at a rate leaving no room for doubt that the burden of taxation is effectually shifted.

**Landlordism and Agricultural Inefficiency in the Punjab.**—Even where peasant proprietorship has the best chances of success, landlordism has appeared with all its evils. In the Punjab the area under tenancy is increasing, and in the last census the number of persons living on agricultural rent has increased from 626,000 to over a million. In the Western Punjab the landlord is far more common than elsewhere in this province of small proprietors. It is estimated that about 40 per cent. of the cultivated area is in the hands of owners of over 50 acres.<sup>1</sup> The tenants usually are at the mercy of the local squire and his agents. When occasion calls the tenant has to lend his cattle to cultivate his landlord's field, while insecurity of crops is added to insecurity of tenure. The tendency of late years in the Punjab has been for the landlord to insist on receiving a share of the produce on the better irrigated lands. In the densely-populated districts where the demand for land is always keen the landlord is usually able within limits to dictate his own terms to his tenants, and he has come to realise the great advantage of a rent in kind in these days of high prices and comparatively light assessment. As a rule he will accept a cash-rent only on unirrigated fields, where the crops are always uncertain and in some sessions there may be little or no produce to divide. In a good year the

tenants of such fields may make a large profit, but in a bad year the landlord is certain of some return, since cash-rents are practically never remitted. The cash-rent rates are normally very much higher than the average rates of assessment. Thus neither the Government nor the actual tiller of the soil profits materially from the rise in prices, which has exceeded 50 per cent., or from the improvement of communications. On the other hand, the small average size of holdings which range from 3 to 5 acres, the large and growing proportion of the land that has to be devoted to the raising of the fodder for the well-cattle and the tendency for rents to rise to an excessively high level owing to the density of the population, contribute not a little to the lowering of the economic position of the actual tiller. In the colony districts valuable grants of land have been made over to the landed gentry. In the Lyallpur colony the landlord holds about 15 per cent. of the land, but few of the landlords reside on and some never even visit them. Agents are put in who think of themselves only and care little for their tenants. The latter are said to be "migratory and discontented." Large revenues are drawn without effort, and a class of idle rich, who keep motor cars and do not work, has sprung up at the expense of Government. Even in the youngest colony of all (Montgomery), a recent report speaks of tenants, "often miserably housed," of agents who are men of no standing,\* and of lands inadequately developed, in fact of all the evils of the absentee landlord.<sup>1</sup> But even elsewhere the large land-holder is making his appearance. In Jullundur district, less land is now tilled by owners than at the last settlement :—

<sup>1</sup> Final Report of the Second Revised Settlement of the Jullandar District, 1918.

<sup>2</sup> Final Report of the Second Revised Settlement of Ambala District, 1921.

	Jullundur.		Nakodar.		Phillour.		Nawanshahr.	
	Last Settlement.	Now.	Last Settlement.	Now.	Last Settlement.	Now.	Last Settlement.	Now.
Cultivated by owners.	67	51	76	57	72	56	65	52
Cultivated by occu- pancy ten- ants.	11	9	6	6	5	5	13	12
Tenants-at- will pay- ing Rent in kind, or Cash rents.	14	23	12	23	14	22	13	22
Total by tenants pay- ing grants.	33	48	24	42	28	43	35	47

The following figures show percentages of cultivated area sold or under mortgage :—

Tahsil.	Percentage of culti- vated area sold since last settle- ment.	Percentage of culti- vated area under mortgage at last settlement.	Percentage of culti- vated area under mortgage now.
Jullundur	11	12	9
Nakodar	11	10	9
Phillour	12	10	9
Nawanshahr	9	8	10
District	11	10	9

The rise of land values in Jullundur is estimated to be from three to four times since 1885. Such figures have been unduly inflated by the insistent demand of Jat investors who have made money abroad. Similarly, in Ambala the amount of land cultivated by tenants-at-will has subsequently increased at the cost of *khud-kasht* and occupancy land. Comparative efficiency is faithfully reflected by the proportion of land cultivated by the owners themselves. In many *tahsils*, the Rajput landlords depend wholly upon tenants-at-will who are *chamar* hirelings. The following table expresses the present state of cultivating occupancy in percentages of total entrusted area :—

Details of cultivation.	Rupar		Kharur		Ambala		Naraingarh		Jagadhri	
	At Settlement.	Now.	At Settlement.	Now.	At Settlement.	Now.	At Settlement.	Now.	At Settlement.	Now.
By owners	83	66	78	64	70	56	60	51	50	43
By occupancy tenants.	5	4	7	6	8	7	12	10	11	9
By tenants-at-will paying—										
Kind rent	6	18	11	19	15	21	23	27	27	35
Cash rents.	6	10	4	9	7	11	5	10	6	8
Miscellaneous		2		2		2		2		2

In an interesting investigation of a village in Hoshiarpur district in the Punjab, Professor Bhalla has recorded that the number of non-agriculturist owners has been continuously on the increase, while the number of agriculturist proprietors, has been almost stationary since 1885 to 1886. The area cultivated by tenants paying rents in cash

and kind has been on the increase. The following table is significant :—

*Table showing the proportion of cultivated area cultivated by the owners and the various kinds of tenants in Bairampur from 1890-91 to 1918-19.*

Year.	Total area cultivated.	Area cultivated by owners.	Area cultivated by occupancy tenants.	Area cultivated by tenants-at-will.	
				Paying at <i>batai</i> rates.	Paying cash rents.
1890-91	253	226	23	17	6
1894-95	214	154	24	20	4
1898-99	247	188	32	19	6
1902-08	246	192	23	22	3
1906-07	248	178	22	35	9
1910-11	238	170	21	34	11
1914-15	236	158	21	46	9
1918-19	240	153	23	42	14

The changes among the tenants-at-will are frequent. The extension of the period of tenancy beyond eight years is quite rare and, generally speaking, those tenants-at-will who cultivate small areas are changed frequently. It is natural that the land cultivated by them is worked with little care. Manure, unless abundant—and that is rarely the case—is not used, and consequently the yield, too, is below the average. In order to check the continuous deterioration in the quality of a particular piece of land, the *zamindar* occasionally lets it to a *chamar* or some one else who possesses cattle, though not a plough or plough-cattle, at *batai*-rates. The *zamindar* ploughs the land, while the *chamar* throws all the manure produced by his cattle into that

particular plot and does the rest of the work. Here we find an extreme example of how the land system is responsible for inefficient farming. Taking the district of Hoshiarpur as a whole, we find that there has been a decrease in the area cultivated by the owners themselves, also in that cultivated by occupancy tenants, and a consequent increase in the area cultivated by tenants-at-will. The difference in the cultivated area may be compared as follows :—

	Dasuya.		Hoshiarpur.		Garh Shankar.	
	Last Settlement.	Now.	Last Settlement.	Now.	Last Settlement.	Now.
Cultivated by owners.	52	41.7	61	51.5	60	60
Cultivated by occupancy tenants.	25	21.9	17	14.9	16	13.6
Cultivated by tenants-at-will paying rent in kind.	14	23.5	9	13.2	—	—
Cash rents.	9	9	13	19	8	13.3

There has been an enormous increase in the values of cultivated land which according to official figures, amount to nearly five-fold in Una and to double or treble in the other *tahsils* ; while the price or mortgage-money obtainable varies from 100 to 200 times the revenue payable prior to assessment. This rise in land values is due largely to the growing capital seeking investment in lands, as well as to the enormous pressure of population and consequent minute subdivision of holdings. All this has gradually weakened relatively the economic position of the small proprietor.

**Madras Cultivating Ownership decreasing.**—In the Madras Presidency the total extent of land on the *zamindari*



tenure is 19 million acres as compared with 27 million acres under the *ryotwari*. In the former the zamindar holds the estates of the government on payment of a lump sum *pesh-kash* ; while his tenants on the ryoti lands hold of him on payment of a fixed rent. They have an occupancy right which is alienable without restriction, the ryot being liable to eviction only for non-payment of rent, and for rendering the land fit for cultivation. The zamindar has, however, certain small home-farm lands, which he may cultivate himself or lease out to tenants-at-will, who have no saleable interest. A ryot holding under a *zamindar* or the *kanamdar* under a *jammi* is, however, less well off than one holding direct from the Government. His rent to the land-holder is customarily more than the assessment paid to the Government. Government sources of irrigation are in general kept in better condition and there are fewer incidental exactions.<sup>1</sup> In those districts of the Madras Presidency where Brahman land-owners and Pariah serfs most abound, the landowners find it convenient to lease out their land to tenants. Thus the number of cultivating landowners tends to decrease and that of tenants to increase. In Tinnevely district the figures are as follows :—

	1907-08.	1912-13.
Percentage of cultivating landowners in the district.	20.4	11.8
Percentage of non-cultivating landowners	0.5	1.1
Percentage of cultivating tenants	2.7	7.7 <sup>1</sup>

In the strongholds of cultivating proprietorship we see the gradual and increasing incursion of landlordism, and the whole train of evils associated with a spendthrift and inequitable land management is not slow to appear.

<sup>1</sup> Provincial Banking Enquiry Committee Report, Madras.

## CHAPTER IX

### DEFECTS OF TENANCY

**Customary Rights of Tenants.**—We have seen that the injustice of Permanent Settlement, from the point of view of the cultivator, was that it completely effaced his immemorial customary rights and also brought about the disruption of the village community which guaranteed the former. The *khudkhast ryots* in Bengal formed the governing body of the village community. Their rents were customarily governed by the *pargana* rates. They had also a number of communal privileges in regard to their homestead plots and to the pasture and forest lands, to the *bundhs*, water-reservoirs, irrigation channels and fisheries, to the services of the village servants or officials, and to the pick of the fields left unoccupied.<sup>1</sup> All these rights of the cultivators were left unascertained at the time of the Permanent Settlement and allowed to be usurped by the *zamindars*. In the temporarily settled tracts, State-zamindarism worked similar havoc with the historical evolution of the rights of cultivators and of village communities. Again, both in the permanently settled tracts as well as in those where the term of settlement is periodical, the peasantry have been left without much protection against the enhancement of rents. One of the most important customary rights, and perhaps the most valued of them, enjoyed by the *khudkhast ryots* in Bengal when the Permanent Settle-

<sup>1</sup> Hunter: Bengal MS. Records.

ment was introduced, was the right to hold at *pargana* rates. Such *nirkh* were formed, with respect to the produce of the land, at so much per *bigha*, and regulated the rents of every district in Bengal. Lord Cornwallis gave a legislative right to each cultivator to demand a declaratory lease or *patta* specifying the rent.<sup>1</sup> He believed that he was giving the cultivator the same right to hold his fields for ever at a fixed rent as he was giving to the *zamindar* to hold his estate for ever at a fixed land-tax. But the minute inquiries into the rents of the cultivators, which Lord Cornwallis contemplated and which Sir John Shore methodically designed in order to give certainty to the cultivator, were never carried out. The collectors, few as they were, could not cope with the task. The *kanungos* of the fiscal divisions and districts were also abolished, and the old machinery of district and village registers, which formed the cultivator's record of rights, was destroyed. In the confusion which followed the *pargana* rates were broken up. No provision having been made to prevent this, the disintegration continued unabated, and a valued right of the ryot was allowed to be extinguished. Sir Ashley Eden attempted to revive the *pargana* rates in connection with the Bengal Tenancy Act, but failed. If these customary rights had been maintained much of the later legislation introduced by Government to provide safeguards against rack-renting would have been unnecessary. In many respects the series of land-laws in Bengal since 1859 seek to give legal force to the customary rights of cultivators, which the Permanent Settlement left unascertained or actually obscured.

**Extension of Occupancy Rights.**—In the *zamindari* provinces the conferment of occupancy status has sought to secure fixity of tenure and protection against arbitrary

<sup>1</sup> Regulation VIII of 1793, Clause (*lvii*), subsection (1).

rents and illegal exactions. But ignorance and poverty have conspired to depress the economic status of the tenant. In Bengal, Bihar and Orissa the tenure though protected by law is not free from insecurity. The landlord sometimes withholds the grant of rent-receipts and may enhance rents while produce rent, *nazar*, *abwab* or illegal demands by the landlord are common and widespread. Further improvements often have been the subjects of litigation. If the tenant has erected a *pucca* house or excavated a tank without permission, he is not safe and permission implies the payment of a large consideration money. In the Act of 1928 the occupancy tenant has acquired the right to erect *pucca* houses and excavate tanks, a customary right which has so long been denied. Tenant-right, declared or created by legislation, indeed, differs in different provinces. It is strongest in the Central Provinces, where the old land tenures were not much unlike the petty proprietorships of Bombay; it is less important in the Punjab, where the bulk of the land is occupied by proprietary brotherhoods and the holdings of rent-paying tenants are comparatively small; and it is weak in Agra and Oudh, where the position of superior proprietors was exceptionally strong, and had been confirmed by the British Government.

The Bengal Tenancy Act of 1885 introduced in Bengal, Bihar and Orissa the legal differentiation between two main classes of tenants, namely, occupancy and non-occupancy *ryots*. This Act has since served as a basis for tenancy legislation throughout India, though the qualifications for occupancy rights are not the same in the different provinces. In Bengal and Agra every person who has been continuously holding, as a *ryot* for a period of 12 years, land situated in a village acquires the right of occupancy in that village. Under the Oudh Rent Act of 1886 such rights were originally recognised only

in the case of tenants who had proprietary rights and lost them, but the privilege has since extended to ex-proprietors whose proprietary rights have been transferred by sale or execution. The majority were statutory tenants who were entitled to retain their holding without disturbance or enhancement of rent for seven years from the date of ejection from their holding or other variation in their rent. This Act underwent important amendments in 1921 and 1926. Under the old Act a tenant could be ejected or his rent enhanced by the landlord after a period of seven years. Thus ejection was a general rule unless the tenant accepted an enhancement which was inevitable because of the great demand for land. Under the amended Act the tenant has obtained the security that he remains undisturbed in his holding during his lifetime and his heir for five years thereafter and that his rent can only be enhanced once in every ten years. A special officer is appointed every tenth agricultural year "to propose fair and equitable rates of rents for statutory tenants." In Agra the new Act of 1926 has created a class of statutory tenants similar to that in Oudh. It grants a statutory life-tenancy to every tenant who was formerly classed as a tenant-at-will with a five years' remainder to his heir after his death. The rent can be enhanced in the same way as in Oudh but only after twenty years. The non-occupancy tenants, who form an important class in Agra, have now practically ceased to exist.

In the Punjab no tenant acquires the right of occupancy by mere lapse of time and the privilege is restricted to tenants whose claims are based on certain historical grounds. In the Central Provinces the 12-years' rule was at first in force, to be superseded by one which allowed purchase of occupancy rights at two and a half times the annual rental. That gave way in 1920 to two classes of occupancy tenants, both of whom have transferable

rights subject to certain conditions. In the case of occupancy tenants, the rent can generally be enhanced only by agreement or by suit. In Bengal such agreements are required by law to be in writing, and the enhancement cannot be made oftener than once in 15 years, and is subject also to a maximum of two annas in the rupee. The law as it obtains in Bengal, however, leaves much to be desired. An enhancement, if paid for three years, need not be in writing. This tends to make the safeguard somewhat illusory. An enhancement by suit can be decreed by the court on grounds of lightness of the rent as compared with the lands in the neighbourhood, rise in prices of staple food crops, or increase in the productivity of the land due to improvements of the proprietor or to fluvial action. The tenant has the right of suing for a reduction of rent on the ground of permanent deterioration of the soil, or of a permanent fall in the local prices of food crops. There are similar restrictions in force in the other provinces, and in the Central Provinces the rent is fixed by the Settlement Officer in the case of what are known as absolute occupancy tenants for the term of the settlement, and in that of occupancy tenants subject to enhancement every ten years. Even in the case of non-occupancy tenants, under most of the Tenancy Acts, the rents cannot be enhanced except under agreements, which in some provinces are required to be registered, or only after a definite number of years. In Bengal, the non-occupancy *ryot* is liable to pay such rent as may be agreed upon between him and his landlord at the time of his admission, but is protected from eviction, excepting by decree of the Civil Court, and his rents cannot be increased at shorter intervals than five years. The under-*ryot*, however, is not protected against eviction, and the protection afforded against excessive rental has been rendered nugatory in the law courts. He may acquire occupancy right by custom. But such a custom is difficult to prove in courts and

its incidents have not yet been fully determined. The enhancement of rents in his case is of course subject to certain limitations.

**Remedies against Sub-infeudation.**—While the practice of subletting by the superior tenant has rendered the position of the actual cultivator insecure, the creation of different degrees of under-tenure holders, lessees, or farmers of revenue as the result of subletting by the landlord has been a potent cause of the weakness of the tenantry in the *zamindari* provinces. In a previous chapter we have discussed the evils of sub-infeudation of rights in land. The question has been raised whether such sub-infeudation ought to be checked by law. There cannot be any doubt that the practice of sub-infeudation of the right to receive rent, which has received impetus since the English settlements, continued through several grades from the superior landlord at the top, imports into the countryside a swarm of speculators and middlemen who live on the margin of profits of farming the revenue. This cannot but be injurious to the peasantry. Thus the first step in the improvement of agrarian conditions, according to the peasant's point of view, is the abolition of this group of middlemen. It is these men, who rent estates and sublet, who are most arbitrary, unsympathetic and relentless in the exaction of rents, and the intrusion of the capitalistic middleman has contributed more towards the deterioration of the status of the peasantry than anything else. The cultivator is continually at the mercy of every intriguer with a hunger for land and sufficient cleverness to pervert an incomprehensible system to his use. Moreover, the cultivator is continually being involved against his will, and often to his hurt, in disputes which have arisen out of the obscurities which the system of land tenure occasions. Separate collection of the rents by co-sharers is in particular a source of great harassment and irritation. This was

recognised by Government as early as 1833, when they remarked : " Joint estates possessed by a multitude of co-sharers, each of whom has as good a right to manage as another and is unwilling to relinquish that right to another, cannot but be badly managed." It is understood to be a practice very prevalent in the East Bengal districts for each co-sharer to manage for himself, by collecting from every *ryot* his own share of the rent and by granting leases to such *ryots*, and on such terms as he himself thinks proper ; so that every *ryot* may have to pay his rent in minute portions to twenty or more landlords ; and two or more persons may hold each a lease for the same field, obtained from different proprietors. It is quite obvious that under such management the cultivators must be subject to great harassment. If merger were made obligatory, a large number of existing tenures would automatically disappear. It is against public policy that the same person should be both landlord and tenant of the same property, and it involves great opportunity for fraud. Apart from merger, the only means of reducing existing tenures would be by expropriation. Thus, facilities might be given to the tenants of an absentee middleman to buy him out, or to the holder of assignment to convert into outright sales, land courts being established to fix the price in both cases. As an alternative, an opportunity should be given to absentee middlemen to revert to the land by directly cultivating it and thus acquire the status of the occupancy *ryots*. Expropriation has good authority behind it in Central and Eastern Europe, but has not been tried in India. A tentative experiment in this direction might be made in such districts of Bengal as Bakarganj, Noakhali, Dacca or Faridpur.<sup>1</sup>

<sup>1</sup> Jack: *Final Report on the Survey and Settlement Operations in the Bakarganj District, 1900-1908.*



**Sub-letting Abuses in Bengal and the United Provinces.**—The practice of sub-letting the land by the peasant farmers, as we have seen, also has increased considerably in recent years. Under the law, as it stands to-day in Bengal, the occupancy tenant-right is limited to a single individual among the numerous persons interested in the land. In this way it frequently happens that the occupancy tenant-right comes into the hands of the wrong person, and the cultivating tenant who ought to have the right finds himself in the position of tenant-at-will.<sup>1</sup> A provision in the Bengal Tenancy Act permits the peasants occasionally to let out the whole or a portion of their holdings for a limited period of nine years; and under the law as interpreted by the High Court a sub-lease granted by the *ryots* for more than nine years is totally void even as between the parties themselves. The fact cannot be denied, however, that they have not kept themselves within this limit, and in many instances sublet their land for periods much longer than is allowed by the law, and sometimes even in perpetuity. The evasion of the law takes place by a renewal of sub-leases not exceeding the prescribed period of nine years but by effecting it after a lapse of certain years. In Jessore and parts of the Khulna district the most interesting fact that came to light in the course of the attestation work is that under-*ryots* almost universally have rights of occupancy. So much is this recognised that the custom is widespread of granting them *Mokrari* or *Kayemi* leases.

This arrangement virtually has reduced the backbone of the independent Bengali peasantry to the status of inferior tenants and mere labourers. The number of transfers of occupancy holdings effected by registered deeds has risen

<sup>1</sup> *Report of the Committee appointed to consider the amendment of the Bengal Tenancy Act, 1885.*

from 43,000 in 1884 to over 2,500,000 in 1913. This implies the displacement from the soil of a highly desirable class of cultivators who are bought out and apparently must swell the ranks of the landless proletariat. Such labourers, however, do not go to the mills, factories and plantations in Bengal, which are mainly fed by up-country labour. They work either as under-ryots or as hired farm-hands and labouring partners. The latter represent a class of shifting floating population which presents an important economic and social problem. The former work at a rack-rent on their own holdings, which have passed into the hand of their creditors, the fertile cause of under-cultivation and poverty.

In the United Provinces, with certain special exceptions, no tenant's right is transferable, and no tenant's holding can be legally mortgaged. But tenants have certain rights of subletting which provide opportunity for the money-lending classes. The land virtually passes into the hands of the latter and the tenants work as hired agricultural labourers or partners.

An exproprietary or occupancy and a non-occupancy tenant can sublet his holding only for five and three years respectively, and he cannot again sublet until two and three years had elapsed after the expiry of the sub-lease. The law is evaded, and sub-leases are frequent leading ultimately to the relinquishment of land. In Bengal and Bihar, where there is no restriction on the mortgaging of occupancy rights, and in the United Provinces, where the tenant's holding cannot be legally mortgaged but the tenant widely uses sub-lease as a substitute for usufructuary mortgage, subletting should be effectively prevented by more drastic legal enactment.

**Exploitation of Tenant Rights.**—A transferable proprietary or tenancy right in less advanced agricultural tracts or among aboriginal and backward agricultural

tribes and castes leads to the expropriation of the cultivating classes and is full of social hazards. This has been long ago recognised. Both the Punjab and Bundelkhand Land Alienation Acts have somewhat reduced credit for the cultivator but have at the same time reduced his extravagance and prevented his displacement from the holding. The Central Provinces Land Alienation Act of 1916 and the Chota Nagpur Tenancy Act are similar in scope to the Punjab and Bundelkhand Acts. The former makes permanent alienation by an aboriginal proprietor such as the Gond in favour of a non-aboriginal dependent on the sanction of the Deputy Commissioner, and limits also the kind of mortgage which can be executed by him. The Chota Nagpur Act forbids usufructuary mortgages of more than five years, unless the principal is paid off as well as the interest by the usufruct when a period of seven years is permitted. Sales of occupancy rights are in general forbidden, except between tenants of the neighbourhood belonging to the same tribe or caste. These restrictions have proved fairly effective.

In districts in the United Provinces where proprietary rights are transferable there has been gradual expropriation of the hereditary peasant class. Such expropriation cannot always be laid at the door of extravagance for which the hereditary cultivator should forfeit sympathy. In the district of Budaun, United Provinces, the following figures show that the hereditary cultivator is being fast weeded out by a non-cultivating class :—

Year.	Percentage of the cultivated area Property held by	
	Thakurs.	Vaerhas.
1865	36·0	9·78
1895	27·58	15·53
1925	21·85	19·99

With fear of ejection from his holding the cultivator loses all interest in the soil in which he was rooted, and becomes a mere tenant-at-will or a sub-tenant, who becomes indifferent to the land which eventually deteriorates for want of manure and capital. On the other hand, the professional money-lender who thus finds himself a landlord has not shown any marked eagerness to improve the land by expenditure and better methods. It is also found that the process of expropriation is slower with money-lenders who are agriculturist *zamindars* than with others.<sup>1</sup> The money-lender, the trader and the scribe and their ally, the lawyer, buy up saleable proprietary right and become exacting land-owners. In the case where the tenant's right is not transferable, the tenant whose land is below the minimum economic figure is compelled to force up credit and takes recourse to sub-lease even where it is wholly illegal. Thus the money-lender comes in here by the backdoor.

In Bengal and Bihar a holding at fixed rent is like a permanent tenure and can be freely mortgaged and transferred. There is no restriction on the mortgaging of the occupancy right but the holding is not transferable except with the landlord's consent or where there is such a custom. This gives an opportunity to the landlord who demands and obtains a fee for his permission. In many districts it is usual to find the price of the land falling below the average level to the loss of the outgoing *ryot*, but the landlord takes advantage of his position to extort a capital sum, called *nazarana*, in consideration of recognising the purchaser's status, a sum which is incommensurate with the average profits from the holding. On the other hand, the purchasers compete for the holding and are not influenced

<sup>1</sup> Radhakamal Mukerjee: *Minority note, Report of the Provincial Banking Enquiry Committee, U.P., p. 856.*

in their biddings by the fertility of the land or by their ability to pay the rent, but solely by the offer which is most likely to give them possession. In Bengal and Bihar the *salami* and fees taken by landlords for recognising transfers of occupancy rights differ considerably. Usually the amount of purchase money is taken as the basis of the *salami*; from one-sixth to half of the purchase money being taken, but one-fourth is the commonest figure. Sometimes the rent is the basis, and the *salami* varies from one quarter's to one year's rent. Or, again, a lump sum is taken whatever the area or rent of the holding transferred may be, and this varies from Re. 1 per transaction up to the limit of the capacity or willingness of the payer. The smaller fees usually go into the agent's pocket, so that the realisation of them does not necessarily imply that the landlord's consent is necessary. It is thus that the money-lender is gradually gaining control over the cultivated area. Most of the transfers are preceded by mortgages, and *ryots* in general do not transfer outright until they are hard pressed by cultivators. Even then they transfer piecemeal. The money-lender or the *mahajan* who comes in pays the *salami* and is recognised as a tenant or a tenure-holder. The old *ryot* is allowed to continue in his holding, but his rent is enhanced. Similarly, in Orissa, the Tenancy Act makes usufructuary mortgages for periods exceeding nine years invalid, and allows the landlord to refuse his consent to the transfer of a *ryoti* holding. But this power is rarely exercised. The Act, while authorising the landlord to withhold his consent, unfortunately does not specify what procedure is to be adopted when the purchaser, whom he has refused to recognise, takes possession of the holding and pays rent in the name of the farmer. Throughout the permanently settled area, no appreciable use is made of the existing legal restriction by landlords, on the transfer of occupancy rights, to secure the retention

of land in the hands of those who will cultivate themselves. They use the restrictions merely to obtain for themselves a portion of the purchase money and so depress the money-value of the occupancy right. As in Bengal, so in the United and the Central Provinces, the imposition of a high *nazarana* for the admission of a tenant to a protected holding has been universal. Both high rent and *nazarana* give the first opportunity to the money-lender, who is not slow to take advantage of the absence of legal restrictions to lease, sale and transfer of tenancy in gaining slow but sure control of the land. In some of the less thriving districts the best part of the land is gradually coming into the hands of *mahajans* and money-lenders, and the cultivator's income is becoming smaller. Many cultivators are being reduced to the position of landless labourers. Sometimes the landlord himself becomes the money-lender. The expropriation in this case becomes easier and quicker. In a district like Champaran the gradual purchase of holdings of *ryots* by the money-lender, and in Dacca the expropriation by the landlord in his rôle as money-lender and re-settlement at exorbitant rates of rent, foretell an agrarian crisis. Similarly in Bankura, a district in South-Western Bengal, the gradual acquisition by money-lenders and middlemen of the most fertile lands in the district, and the gradual replacing of comparatively low money-rents by excessively high produce-rents, indicate a grave situation. As a rule the landlord is here the money-lender, and the tenant is reduced to the position of serf. In Jessore, though the majority of the money-lenders are themselves agriculturists and a great number of transfers of holdings takes place among the agriculturists themselves, there is witnessed a gradual expropriation of the poorer *ryot*. Within three decades farm-hands and day-labourers have increased twelvefold. Their number was 7,024 in 1891, 9,725 in 1901 and 88,043 in 1911. The gradual dispossession of the

aboriginal cultivator by the wily and unscrupulous money-lender in some of the south-western districts of Bengal led in 1918 to the addition of some provisions to the Tenancy Act prohibiting the transfer of lands of the aboriginal tribes excepting among themselves. Such provisions, like those of the Chota-Nagpur Tenancy Act which forbid the transfer of tenantry rights to non-agriculturists, have met with partial success. The money-lender, when he gains control of the land, everywhere employs the cultivator as a hired farm-hand or cultivates on the produce-sharing basis. The labouring partner has to give up the required share of the produce of what had formerly been his own plot, with the exception of a bare starvation ration ; thereby bringing about a most wasteful method of cultivation, because of the different interests which stand apart from one another.

**Fair Rents, Fixed Tenures and Village Land Courts.**—The solution of the evil does not lie obviously in legalising the practice of transfer, which has now become so prevalent as to indicate the failure of tenancy farming. It lies in removing the causes of frequent alienation of land by assuring fair rents along with fixity of tenure. Now, the occupancy *ryot* has a heritable right to hold the land subject to the payment of rent, accompanied by protection from ejectment, so long as the conditions of tenancy are fulfilled. There is security of tenure in his case ; but there is need of an impartial body like a duly constituted village land court to determine what rent is fair and equitable, to check illegitimate exactions such as *abwabs*, and to adjudge what should be considered a permanent improvement of the land that would justify an enhancement of the rent. A discrimination between undersized and economic holdings seems also essential in each case. Much irritation and litigation will be prevented if such matters are transferred from the Civil Courts to the local land-courts, whose decisions will

be prompt and based on a careful consideration of such factors as the rise of prices, the rise of agricultural wages, the development of communications, etc.; and the respective shares of the landlord and the tenant for investments as well as for unearned increments will be decided by them. If justice were obtainable locally the lives of a large number of villagers would be happier and a large part of their savings would be preserved from dissipation. The Courts are so distant and their procedure so dilatory and expensive that resort to them virtually means a denial of justice to the poor cultivators who need it most. A village tribunal would prevent many questions being raised at all, or secure the decision with the celerity and inexpensiveness that they merit. There could not be a greater reflection upon the value of our Criminal courts than the fact that the ordinary reply to any question as to why a *ryot* has submitted to illegal conduct on the part of his landlord is that had he resisted the landlord would have brought a false charge against him. To defend a charge, however false, would probably cost at least Rs. 30. A poor *ryot* with a holding whose annual rent is Rs. 5 must incur a debt to defend such a case and prevent eviction. If justice were obtainable locally, the landlord would not dream of bringing a charge that everybody would know to be false. On the other hand, it is well-known that the *ryots* sometimes not only do not pay rents regularly but even withhold them for several years in succession. When the landlord goes to court to recover arrears due to him, he loses a great deal. He cannot recover all his expenses as the decree obtained by him awards only legal costs.

#### **Scottish Precedent for India—the Crofters Act.—**

The Irish peasantry suffered because they had no security of tenure and because the acute competition for holdings forced rents far above the economic level. On the other hand, in Scotland similar uneconomic conditions were



ended by the Crofters Holding Act of 1886, which protected a crofter from eviction excepting for failure to observe the terms of his lease, and gave outgoing crofter tenants the right to compensation for improvements effected by themselves or the members of the families who had preceded them as tenants. Further the clause in the 1886 Act and the later legislation limit the rents of crofts to sums fixed by a public authority.

There is need in the permanently or semi-permanently settled tracts of India for the creation of village land tribunals as a part of the existing machinery of judicial administration. To meet local requirements a system as described below may be devised. Whenever a dispute arises between a landlord and a tenant, the party is to bring the suit before the existing stipendiary court of the area concerned. Its presiding officer will then refer it to three village arbitrators, worthy of reliance, who will be vested with the powers of finally deciding the matter at issue. In case of legal difficulty that the arbitrators might experience, they will refer to the stipendiary court for its opinion. A pecuniary limit up to a dispute involving an amount of, say, Rs. 100, may be fixed. The drawback of village courts in India would be their liability to be too subservient to influential landlords ; but the spread of education among the peasantry, as well as the intervention of the official, should gradually remedy this defect. Much useful suggestion may also be obtained from the method of tenancy dispute adjustment in Japan, where the tenancy problem has become acute. On the one hand, there have been formed societies for reconciliatory ends, described as societies for harmonious co-operation between landowner and tenant farmer; on the other the tenant farmers have banded themselves together for purpose of self-defence. In 1924, the Conciliation of Tenancy Dispute Act was enacted, aiming at practical conciliation in disputes under judicial authority

and with the participation of non-government members. The Act is both a Conciliation and an Arbitration Act. Briefly stated, it provides in every district facilities, first for the simple handling of disputes in the court without going through a complex procedure of Civil law, and secondly for arbitration by a committee composed of a judge and several citizens, which endeavours to adjust the claims of the contending parties. The keynote of the arrangements is therefore swiftness and simplicity of procedure in a local court, and the introduction as arbitrators of persons who, not being professional lawyers, may be supposed to be in better touch with the needs and grievances of the masses. Disputes can be dealt with in one of three ways. Either the court can deal with them itself, or it can refer them to an arbitration committee, or to a private arbitrator or arbitrators. The most usual course is the second, namely, the appointment of a committee, and the court is bound to follow this course if asked for by the disputants. There is a permanent chairman of arbitration committees appointed each year by the chief judge of the district court from among the judges. The other two or more members of each committee, however, are appointed *ad hoc* only, and their membership expires with the satisfactory solution of the case for which they sit. If the disputants agree with the committee's decision the conciliation becomes effective and is transferred to the court for a formal confirmation. If they disagree with the committee's award within a specified period, the work of the committee becomes null, and some other means of solution is resorted to.<sup>1</sup>

**Danger of creating Transferable Proprietary and Tenant-right.**—As regards alienation of proprietary, or tenants' occupancy status, it may be restricted to the

<sup>1</sup> See *International Labour Review*, March, 1925, pp. 881-87.

peasants of a given village, following the Indian customary law in this respect, or to members of a given farming or co-operative association and through the intermediation of respective organisations. The creation of a transferable proprietary or tenant right without any limitations no doubt has been accompanied by economic unsettlement. There is land-hunger in the country, and the value of the land right, made free to be bought and sold in the market, is forced so high that the interest on the sum added to the economic rent often amounts to a rack-rent. It is an established fact that in some districts in Bengal, Bihar and Orissa no transferable occupancy rights are at present freely transferred without reference to the landlord, or even without his knowledge. Such transfers are in most cases surreptitious, and the *zamindar* has got legal remedies when these come to his notice. In Bengal and Bihar many occupancy tenants are now under-tenants at a rack-rent on their holdings, which have passed into the hands of creditors. No doubt there are various restrictions against free transfer in the tenancy law of Bengal, and of all other *zamindari* provinces, but these have proved futile; and the occupancy privileges, which were reserved for the genuine cultivating class, are passing to the middle and money-lending classes. In the cotton-growing province of Berar, land is sublet from 10 to 20 times the amount of the Government revenue. It is estimated that 95 per cent. of the total occupied area in Berar is held in proprietary right and can be leased, sold, mortgaged or otherwise transferred at will. It is not in the interests of cultivation to create saleable proprietary and occupancy rights which may be bought up by money-lenders and non-agriculturists, who will convert the cultivating owners and tenants into rack-rented tenants-at-will. All their interest in the matter is to make the greatest possible profit in the shortest possible time; they have no desire to maintain or increase the value of the land.

Again, persons who acquire a tenant-right in Bengal by purchase from the original tenants and their heirs gain nothing, for they will have to pay, in interest on the purchase money and in rent, exactly what the land would have cost them if they had hired it at the rack-rent; but it will no longer be possible for them, in the nature of the case, to count on leniency on the part of the landlords in respect of crop failure or other misfortune. This is what actually happened in Ireland under similar circumstances, when the law created a heritable and saleable tenant-right. This experience ought to warn us in India against conferring any saleable right to the occupancy tenant who thereby may degenerate into a capitalistic parasite. The transferability of superior tenant-right everywhere has been a boon to both landlord and moneylender. The landlords have imposed and obtained a premium, which lowers the money value of that status, thereby nullifying the object of tenancy legislation. The middle and money-lending classes can by investment in land acquire by mortgage or direct purchase a right which the law intended to reserve for the actual tiller of the soil.

Thus the Bengal Act of 1928, which makes occupancy holdings transferable subject to the provision that the purchaser has to pay a premium of 20 per cent. of the sale price to the landlord will facilitate the transfer of land from the peasantry to the middle and money-lending classes in the future. The other provision that the landlord has the pre-emptive right to purchase the holding within two months of the sale at 10 per cent. over the sale price does injustice to the tenant class as a whole. The pre-emptive right should belong not to the landlord but to the occupancy ryot, who should be allowed to purchase the right of transfer by paying a premium of say, 10 per cent. of the sale price to the landlord. Like unrestricted transfer, free sub-letting in the face of a progressive fractionalisation of holdings provides the opportunity for the non-agriculturist money-lenders.

The tenant, entrenched within his own statutory rights, and having the power to sublet, has not seldom become an intermediary, and the real cultivator is reduced to the position of a mere tenant-at-will. Thus the cultivating peasantry is gradually being expropriated. It is they who form a continuously increasing class of farm-hands and day-labourers, a floating population, which is at once the cause and effect of our agricultural inefficiency. Such a state of things holds good, as we have seen, of every *Zamindari* province such as Agra, Oudh, Bihar and Orissa and the Central Provinces. But it is in Bengal that these forces have now constituted a real economic menace. We have in Bengal, as compared with any other province in India, a considerable middle class, connected with the land, which owes its existence to the Permanent Settlement and sub-infeudation of rights in land. But this class which, no doubt, has most readily availed itself of the opportunities of modern education, now forms the great body of the unemployed and is a burden on agriculture. As long as the middle class *bhadraloke* does not take to agriculture, he is no better than the absentee landlord with whom he shares the advantage of the rise of land values. Further, where the *bhadraloke* has been the money-lender, and has obtained by mortgage and purchase an occupancy holding, he finds this a ready means of livelihood, and often re-settles with the *ryot* on a produce rent for his convenience. In place of a rent which is low in comparison with the value of the crop produce, the tenant is required to pay a high rent, and his position becomes hopeless. In Western Bengal the rapid and persistent spread of produce rents under *bhadraloke* owners imperatively calls for a remedy. Secondly, we have a fresh class of petty middlemen, ignorant and useless, represented by the richer *ryots*, who possess the right of occupancy and have acquired the habit of subletting. This also leads to rack-renting and the creation of wretched cottiers. Hence the propo-

tion or parasites on the land, which is already much higher than in any other Province, is rising continuously in a country supposed to be pre-eminently one of peasant proprietors.

The experience of western countries shows that restriction of transfer though it may temporarily mean an abridgement of credit for the cultivator does not ultimately affect the prospects of agriculture. In any case such rights of transfer should not be granted to owners and tenants who are heavily indebted without easy and cheap facilities of credit through co-operative banks or the amortization of present debts by the establishment of land-mortgage associations.

In areas where the tenants have not obtained proprietary rights they should be encouraged to purchase these rights from the landlords by paying a certain multiple of the rent. But land held in proprietary right may not be leased, sold, mortgaged or otherwise transferred where credit is small, precarious and difficult to obtain. Both thrift as well as stabilised interest of the cultivator in his holding gradually improve credit and establish it on firmer foundations. There is, on the whole, a greater balance of good from the principle of keeping the cultivator to his soil and holding as the basis upon which other necessary legal and economic adjustments should be built up.

## CHAPTER X

### REFORM OF TENANCY

**Universality of Nazar.**—We have traced the course of tenancy legislation in different provinces in India. We have observed that the legal differentiation between the occupancy and the non-occupancy tenant, which the Bengal Tenancy Act introduced, and which later was adopted with modification in the United and the Central Provinces, could not guarantee sufficient protection against enhancement of rents or even eviction. Before the time-limit expired, there was either eviction, or the tenant had to satisfy the landlord by paying a heavy *nazarana*, which really represents a capitalisation of the enhancement of rent. Wherever there has been great competition for land, the landlord's exaction on the occasion of a transfer, whether legal or fictitious, has been heavy. We have also seen that the opportunity for the levy of a premium has been greater in Oudh than in Agra. In the former province, under the old law, the mass of the cultivators had security of tenure for a term of only seven years, after the expiry of which the *nazarana* could be effectively imposed. In Agra, on the other hand, the *nazarana* was levied in the case mainly of non-occupancy tenants who were comparatively few, as in Bengal. In all the *zamindari* Provinces transfer of occupancy and ordinary holdings, both for cash and in satisfaction of debt, occur with considerable frequency; and as a rule the *zamindars* and *talukdars* have made these transfers the opportunity to gain some unearned increment in the shape of *nazarana*. In the Central Provinces, a very ingenious device has been

adopted to circumvent the law against transfer of tenant-right. The tenant surrenders his land to the landlord and the landlord then grants what is ostensibly a new lease to the intending purchaser, and thus makes him his tenant in place of the surrendering tenant. The two really constitute one transaction. The consideration for it is paid wholly by the new tenant ; though, to conceal the nature of the bargain, it is split up into two parts ; one part going to the old tenant as consideration for giving up his right, and the other part to the landlord as his *nazarana* for permitting the new tenancy to be created.

**Central Provinces Tenancy Act, 1920.**—A very material change in the law regulating the relations between proprietors (landlords) and tenants has been introduced by recent legislation. The old time-honoured division of tenants into occupancy and non-occupancy was found here as elsewhere to be an inadequate protection against capricious and arbitrary eviction of industrious cultivators. For any right which depended for its growth on a time-limit, and therefore on the forbearance of the landlord to exercise his power of ejectment before the limit was reached, was bound, as in course of time the law became known, to be difficult of acquisition. Accordingly, by a bold stroke of policy, the Tenancy Act of 1920 has made every tenant, whatever the length of his occupation, to be an occupancy tenant or a tenant with a permanent right of occupation. This right further has been made heritable, not only to the lineal heir but also to collaterals in the male line within seven degrees of kindred from the tenant. But since the right thus created is meant for the personal benefit of the tenant, he is not given an unrestricted power of transfer. He may transfer only to a co-tenant, or to a person in the special line of heirs as defined. Unrestricted subletting is apt in process of time to convert the tenant into a mere rent-receiver, and the actual cultivator into a person without



any fixed right safeguarding to him the fruits of his labour. Accordingly, the law permits sub-letting for one year only. Such short-timed sub-letting is sometimes necessary, for the tenant may be a minor without a guardian capable of personal cultivation, or he may be temporarily disabled by disease from himself cultivating. But, since this law may be evaded by continuous yearly sub-leases, another provision in the Act has declared that where it is found that tenants are habitually sub-letting the lands, the Local Government may by notification declare that in such cases revenue officers clothed with this special power may pronounce the sub-tenant to have the right of an occupancy tenant, and he therefore will be deemed to be an occupancy tenant with all his statutory rights, not only against the tenant but also against the landlord. This solution of a difficult question much more effectively attains the end in view than what has been done in Bengal. Regarding the rent of occupancy tenancy thus created the Act provides that ordinarily it is to be fixed at each settlement along with the assessment of the land revenue by the Settlement Officer. Provision has been made for an enhancement by a revenue officer during the currency of a settlement on the ground of improvement by the landlord or general rise in the price of produce and such like causes. In practice these causes never are likely to come into operation.

**Tenant Legislation in Oudh.**—In Oudh the most important feature of the Rent Act of 1923 is the recognition of the principle of a life-tenure giving the tenant a life-interest in the land. Formerly as much as about 98 per cent. of the cultivated land in Oudh was held by unprotected tenants holding for periods of seven years. The situation of the tenant accordingly was precarious. In 1922 there was a good deal of agrarian unrest and excitement in some parts of Oudh. It must be admitted that the concession of life-tenancy in the present reform does not go very far. It

implies protection for a period of, say, 20 or 25 years. Unless the right is heritable the primary inducement to the cultivator to make improvements on his holding is absent. So long, therefore, as heritable tenure is not granted to the tenant, the door to the investment of agricultural capital in land is practically closed. Nothing short of occupancy tenancy which does not depend upon a time-limit, which can be easily acquired and which is heritable, and which, again cannot be exploited by unrestricted transfer or sub-letting against actual cultivators, ought to be the goal. To secure fair rents, the Oudh Rent Act has introduced a roster-year system for ascertaining the fair and equitable soil rates for each district by special officers every tenth year. The rates fixed by the roster-year officer govern all rent-suits for determination or enhancement of rents. This special machinery, whose object is to facilitate the work of the Courts, has been considered necessary because the Courts can hardly be expected to have knowledge of actual local conditions where rents are concealed and premiums or *nazarana* are universal. They reproduce the provisions of the Board of Revenue circulars dealing with the fixation of occupancy rents in Agra. The occupancy right generally is not a transferable right. The occupancy tenant can sell his right, or give it in usufructuary mortgage, to his landlord only. For arrears of rent an occupancy holding is forthwith resumed as *sir* by the landlord.

The weakness of the position of the occupancy tenant is shown by the fact that in unfavourable years there is a great shrinkage of the occupancy area. In 1924-25 there was, for instance, a remarkable decrease by 25 per cent. in the occupancy area in Sitapur due to the unfavourable character of the season. Sub-letting, whether in perpetuity or for a term of years, of his holding by an occupancy tenant is not forbidden. A statutory or non-occupancy tenant who holds land in posses-

sion for a period of ten years, as well as the heir of a deceased tenant, has been prohibited, excepting with the written consent of the landlord, from subletting any part of his holding for a term exceeding two years, or within two years of any part of his holding being held by a sub-tenant. In future, instead of having a statutory lease for seven years only, at the end of which he is liable to arbitrary ejectment, every resident tenant in Oudh will have a tenure for life, subject to revision of his rent at the end of every period of ten years, either by consent between him and the landlord, or by determination of the Court in accordance with rates fixed by a Settlement Officer or a qualified Government Officer. A check is meant to be put on the system of taking *nazarana* by providing that payment of premium for being admitted to a holding, or for not being ejected as a non-resident tenant, shall be deemed to be an illegal enforcement of payment, and shall entitle the tenant to claim compensation. It is, moreover, hoped that the tenant's right of life-tenure will go some way to bring about the abolition of the *nazarana* system. As a matter of fact, however, throughout many of the estates of Oudh, a periodical levy of *nazarana* is preferred to an increase of rentals. In Partabgarh it has been estimated that the *nazarana* amounts to 20 per cent. of the recorded rentals. A local investigation in Lucknow district has shown the following rates of *nazarana* to prevail. For the lease of one bigha of land, carrying a rent of Rs. 10, the *nazarana* paid to the landlord is Rs. 10, while the *patwari* and the *zeladar* get Re. 1 each. To secure a lease of 100 *bighas* the rates elsewhere are

Talukdar's <i>nazarana</i>	Rs. 200
Agent's <i>nazar</i>	„ 100
Village accountant's share	„ 25

These figures, worked out per acre, amount to Rs. 3-2, Rs. 1-6 and Rs. 4 respectively. The premium is imposed

because it can be more effectively concealed than rent-rates. Moreover, in the case of a revision of rents, at every decennial period the Government will be entitled to a large share.

A large part of the agricultural capital of this province which the tenant might otherwise invest in the purchase of stock or improvement of land is thus regularly diverted in a clandestine way into the hands of the landowning class. Under somewhat similar conditions, there is a general and increasing tendency on the part of *malguzars* in the Central Provinces also to leave rents at the same nominal figure from one settlement to the next, and to take advantage of the rise in land values by exacting heavy *nazar* on new leases of surrendered holdings or the leasing of new land. Often the taluqdar keeps his own private record in which the real rent-rate, which is sometimes 50 per cent. more than the rate in the patwari's books, is recorded. The competition for land pitches up the real rent-rate as well as the *nazarana*. Further, on account of the pressure of population, the village site has been greatly reduced in area, and the landlord charges an exorbitant *nazarana* when the peasant wants house-site. If the peasant dies without heirs or abandons the site, it reverts to the *zamindar*. At the expiry of life-tenure, again, so relentless is the competition for land in the densely-peopled districts in Oudh that rents which will be offered by new tenants are expected to be quite out of proportion to previous rents or to the agricultural productiveness of the holdings. Formerly the change of lease had been a convenient occasion for the levy of exorbitant *nazarana*. The landlord on such occasions got an enhanced rent-rate in the shape of a large lump sum secretly imposed and given by the competing tenants, while the Government was deprived of a legitimate share of such increase. In some cases the tenants seemed also to prefer a lump payment for buying off enhancement of rent. The

reason seems to be that in these cases they could pay the *zamindar* out of savings without making an inroad on the yearly income. But more often the tenant who paid a high *nazarana* started his tenancy in debt or increased his accumulated debt. It is probable that the taking of *nazarana* has decreased on the whole since the passing of the new Act, but a *nazarana* is even now more or less universal and there are also other cesses which are still exacted to a considerable extent in addition to the rent.<sup>1</sup> In spite of the grant of life-tenancy, eviction is by no means uncommon in some districts. The taluqdar evicts the tenant through force or cunning, or on the plea of conversion of the holding into *sir* whenever he receives the offer of a higher rent-rate coupled with a decent *nazarana*. The tenure is not secure even within the period of seven years, the old legal limit. Thus the ignorance and poverty of the peasant nullify the protection which law seeks to secure for him. Besides there are various forms of compulsory labour which are still in force. Thus in many taluqdari estates the tenant is required to cultivate the landlord's farm free of any payment for one day in the year; and, indeed, the ancient feudal tradition dies hard especially in the outlying tracts.

**Tenant Legislation for Agra.**—In Agra the tenant formerly could be ejected if he had not held lands for twelve years, but he could acquire occupancy rights if permitted to hold for this period. Though occupancy rights no doubt have often been conferred in return for a lump payment or agreement to pay an enhanced rent, the growth in the occupancy area by 13 per cent. in the twenty years between 1903-1922 has been due also in part to fraud,

<sup>1</sup> See *Government Resolution on the Revenue Administration of the United Provinces*, 1926, p. 6.

mistake and accident.<sup>1</sup> Moreover, such increase as has taken place has been attained at the cost of an immense and growing volume of harassing litigation. During the last twenty-five years litigation in Agra has been very heavy. In 1923-24 the total number of institutions of suits was 619,653, which is a slightly lower figure than that for 1900-01, when the present Act was about to be brought into force. The main cause of litigation was the rise in prices which excited the landlords to hope for higher rents periodically. The number of ejectment suits averaged approximately 127,000 in the ten years ending 1922-23, and in the year 1922-23 was 157,000. The area held under seven-year leases has never reached one million acres and such leases are practically confined to Gorakhpur, Basti and some districts in the Meerut division. Taking the occupancy area and the area under long-term leases together, the protected area in 1901 formed 63·5 per cent. of the tenant area and in 1924-25, 74·3 per cent. The non-occupancy tenant, as a tenant-at-will, had no security against the excessive enhancement of his rent and in consequence his rent tended to be a rack-rent. The area held for less than 12 years otherwise than on long lease was nearly 20 per cent. of the total area of holdings. Further, the landlord was compelled, owing to the absence of any proper procedure for the revision of the rents of occupancy tenants, either to sue for the ejectment of the tenant before he had held land for twelve years or to allow the acquisition of occupancy rights, which in practice generally debarred him from raising rents until the next settlement. The result was that ejectment, on the one hand, and sub-letting, on the other, were both encouraged. Ejectment and excessive enhancement of rent were the direct result of the lack of protection as regards the non-

<sup>1</sup> Samuel O'Donnell's speech before the United Provinces Legislative Council, March 29, 1926.

occupancy tenants, while sub-letting followed from the inability of the landlord to secure legitimate increase of rents as regards occupancy tenants. The lot of non-occupancy tenants and sub-tenants was one of considerable hardship, if they could not, as no doubt they did in many cases, eke out their income by means of daily labour. The competition for rent and the absence of any fixity of tenure compelled them to pay in rent an ever-increasing quota of the value of the produce ; they paid a higher rent per acre than the protected tenants.

The Agra Tenancy Act abrogated the old twelve-year rule for occupancy rights which was a fruitful source of litigation. A right which depends on its growth on a time-limit leads inevitably to litigation. Thus the Agra Tenancy Act, like the Central Provinces Tenancy Act of 1920, abolished the time-limit for the growth of the protected tenant right. It established that occupancy rights might be acquired by grant or sale as frequently as they have been in the past. On the death of the occupancy tenant his son succeeds him. His rent cannot be increased except under law by a decree of the court, or by a registered agreement. In the case of arrears of rent the occupancy holding, however, reverts to the *zamindar*. In Bengal, on the other hand, the custom has grown that the occupancy holding is transferred, subject to the consent of the landlord who signalises the occasion by imposing a levy of *nazar*, with the natural result of depressing the money-value of the occupancy status. As regards the unprotected tenantry, life tenancy has been conferred with a succession for five years. As long, however, as the principles of occupancy or heredity are not recognised in their case, whenever the tenant dies, the evils of rack-renting, *nazarana* and harassing litigation will be manifest, especially in districts where there is competition for land.

**Defects of the New Legislation.**—The Agra Tenancy status is superior to that created by the Oudh Act in so far as it has included the past hereditary in tenant right. But transferability is not yet adopted in the Agra legislation as has been the practice in the case of the occupancy status and recently accepted as a legal incident in Bengal. It seems on the whole that the custom of free transfer of occupancy right, subject to the payment of a premium to the *zamindar*, has not proved beneficial to the peasantry in Bihar and Bengal. In many areas the cultivating classes have paid *nazar* to the landlord, have been recognised as permanent tenure-holders at fixed rents, and then have ceased to cultivate, thereby depressing the status of the actual tillers of the soil. In many cases, again, the money-lender has come in, and the former occupancy tenant works on his own holding as under-*ryot*. Throughout Bengal grades of under-*ryots* are quite common. Opinion, however, differs considerably on the desirability of unrestricted transfer of tenant right. It is contended, on the one hand, that the restriction of transfer depresses the security of the peasant, makes credit dearer and increases the rates of interest. On the other hand, the transfer of landed property into the hands of money-lenders, or to a class of middlemen who do not participate in agricultural labour, is fraught with peril. The actual line of reform as regards restrictions on transfer and sub-letting ought to depend upon a careful weighing of the above two factors in the different provinces. In Bengal the question of legislation regarding the transfer of occupancy rights, both to give security of tenure to the purchaser and to secure to the *de facto ryot* the actual privileges of the present legal *ryot*, has been under consideration for some time.

It is contended that the system of transfer has been in full operation in Bengal and now has become an essential feature of present-day land-holding; and that it is desirable



to give the custom a secure legal footing which would put an end to a good deal of uncertainty and litigation. From the cultivator's point of view we have seen that it has been an unmitigated evil: many *ryots* are now under-tenants at a rack-rent on their holdings, which have passed into the hands of the middle and money-lending classes. This has led to the extension of the present system of produce rents causing rack-rents—already a serious problem in many parts of Bengal. On the other hand, the increasing pressure of population on the land and the interests of efficient agriculture demand that land ought not to be allowed to be kept, so to speak, under lock and key, by an inferior peasantry, taking advantage of non-transferability. Perhaps the best plan would be to give the power of alienation, subject to a right of pre-emption which might be given to *bonafide ryots* of the village. The occupancy right should be reserved for cultivators, and should cease to exist as soon as it is transferred to the middle and the money-lending classes. As regards the enactment made in the recent tenancy bill in Bengal that the transferee should pay the landlord a transfer fee of 20 per cent. of the purchase money, this is open to two objections. First, that the present rates of *salami* do not amount to 20 per cent. in many parts of Bengal. In some districts transfers are freely made and *salami* is seldom exacted. Secondly, it was the village community, not the *zamindar*, that formerly exercised the privilege of restricting sale or transfer of holdings. The recent bill, in so far as it recognises the exclusive right of the landlord to a transfer fee, and also confers upon him the new right of pre-emption, to take over a holding from the purchaser on payment of the consideration money along with ten per cent. compensation as well as interest goes against custom and tradition. The scheme for validating transfer by payment of transfer fee to the *zamindars* assumes the latter to be previous owners

by compensating whom by means of fixed payments a retrograde step towards land-nationalisation seem to be taken. A portion of such *salami* should represent a tax on land transfer which should be levied for the benefit of Local and District Boards, which bodies may ultimately develop into institutions representing the true interests of the tenantry. In Bengal and Madras the intelligent non-cultivating middle class is gaining control of the land by mortgage and purchase and the position is somewhat different from that in the Punjab. In the United Provinces the question of passing a Land Alienation Act like that of the Punjab for the protection of the cultivator was carefully considered by the Government in 1909. The most experienced revenue officers held, however, that such an Act was not desirable. It was shown that conditions here differed fundamentally from those in the Punjab, that it was difficult in many cases to distinguish the agricultural from the professional castes, and that by limiting the class of persons who might buy landed property the amount of land sold might well be increased rather than diminished without preventing the money-lender from acquiring it. Evidence is on the contrary forthcoming from certain districts that on account of non-transferability of tenure, the interest which the tenant pays to the money-lender is unduly high. The Government is again examining the question and collecting figures from all the districts with a view to ascertain whether the tendency of the last 15 years shows that the former decision should be reconsidered.,

As regards the unprotected tenants, the life tenancy for the statutory tenant in Agra and Oudh is far less satisfactory than what is deemed necessary in the interests of agriculture, but superior to that of the under-*ryots* and *bargadars* under the Bengal Tenancy Act. Life tenancy

<sup>1</sup> H. A. Lane's evidence before the Royal Agricultural Commission, 1927.

has been granted first in Oudh and then in Agra as a result of compromise. The Agra Tenancy Bill also introduces the roster-year system which has already been devised in Oudh for fixing genuine adequate and stable rents over a fixed period of years. The ordinary court has neither the material nor the experience and time for dealing with the question of the specification of rents over a series of years. The new system enables a scientific rate of rent to be determined by a classification of the soils and an elaborate analysis of rents for the various classes of soils. His Excellency Sir William Marris, in a message to the United Provinces Legislative Council with reference to the Agra Tenancy Bill remarked :—" We ourselves would have liked to make occupancy rights universal. Against that course there was the precedent of the Oudh Rent Act and the patent difficulty of getting a legislature on which the landlords predominated to accept our views. We contented ourselves, therefore, with asking for statutory rights. We were very anxious to get the principle of statutory rights recognized, and for that purpose we resolved on concessions to the landlords about the abstract equity of some of which we were doubtful."

As regards restrictions on sub-letting, the provisions in both Agra and Oudh are more satisfactory than in Bengal, though here the Central Provinces Tenancy Act shows the goal to be reached. Sub-letting is one of the cruxes of all tenancy legislation. Unrestricted sub-letting by an occupancy tenant always tends to convert him into a mere intermediary, and the actual tiller of the soil into a person without any adequate protection safeguarding to him the fruits of his toil. In Agra the evils of sub-letting holdings which are let to rack-rented sub-tenants have been widely known, though these evils are less widespread than in Bengal and Bihar. The unrestricted right to transfer or

to sub-let or to raise money on holdings has led to widespread impoverishment and indebtedness of the tenants, and to the gradual transfer of holdings to non-agriculturists and money-lenders, not merely in Bengal, but also in the Deccan and in the Punjab. Under such circumstances the fixity of tenure sanctioned by law becomes a mere instrument for the transfer to the money-lender of a valuable interest in the land. It has been calculated that about 20 per cent. of the occupancy area in Agra is sub-let. In the *Etawah Settlement Report* it is stated that 18 per cent. of the occupancy area is sub-let, and continuously sub-let. The law limits the tenants' right to sub-let and forbids them to mortgage, but in both cases the law is little more than a dead letter. Occupancy tenants in many districts mortgage or sub-let on a premium, receiving in cash Rs. 50 or Rs. 100 per *bigha*. That is something less than the sale price of any particular land. In many instances the landlord receives a portion of the premium in exchange for his signature on the document. Thus a further restriction of sub-letting, as effected in the Agra Tenancy Act, would prove beneficial. While the Central Provinces Tenancy Act permitted a sub-lease extending for one year only, the provisions of the Agra Tenancy Act for restricting sub-letting do not go far enough. According to the Act occupancy and ex-proprietary tenants are allowed to sub-let for a period of five years, subject to this condition, that the holding or a portion of the holding must not again be sub-let for a period of five years after the first lease has expired. Similarly, a statutory tenant is allowed to sub-let for a period of three years, subject, again, to the condition that there must not be sub-letting within three years after the expiry of the previous sub-lease.

A limit to undercultivation and sub-letting has been put by restricting the indefinite expansion of *sir* or the landlord's

home-farm, in which the tenants hold at his will. Formerly any non-occupancy land which was relinquished by a tenant, or from which a tenant was ejected, was converted into *sir*. Since the grant of life-tenancy to the majority of non-occupancy tenants, would check the accrual of *sir* rights, the *sir* area has been extended by the automatic conversion of the *khudkasht* of 2 years' standing into *sir*. The landlord may also add to his *sir* area by continuous cultivation for 10 years, but lest this right be abused a graduated scale has been introduced according to which a landlord can acquire *sir* only to the extent of a certain percentage of his proprietary interest in the *mahal*. Landlords or permanent tenure-holders having not more than 30 acres of land can acquire *sir* to the extent of 50 per cent. of the area; but, if the area exceeds 30 acres but is less than 600 acres, only 15 per cent. of the area can be acquired. In Oudh there is no such graduated scale, and the *sir* right can accrue to the extent of 10 per cent. of the proprietary interest without any regard to the area held. These limiting clauses are purely the result of a compromise. On the one hand, more *sir* land implies the persistence of a large number of rack-rented and unprotected tenants and the evils of under-cultivation and sub-letting. On the other hand, smaller landlords who cultivate land themselves—and these form a larger majority in Agra than in Oudh—in the interests of agriculture must not be debarred from extending their proprietorship. Such a disability, by hindering the cultivator, who is a man of both substance and initiative, would only perpetuate inefficient farming. The hindrances to a conferment of *sir* rights beyond the limit of what is deemed necessary for the landlords' own purposes of cultivation, and the restrictions on sub-letting, tend to check the increase of any further unprotected tenantry. These objects, however, would be more effectively realised if sub-letting in the case

of *sir* land is prohibited, and the amount of *sir* land legally limited by the extent to which the landlord's family can cultivate without requiring under normal conditions any permanent outside labour. The pertinacity with which the *zamindars* cling to their *sir* is remarkable. The reason is that it is their most valuable stand-by. No occupancy rights can be obtained in it. Since it usually consists of as good land as there is in the village, if not the best and most fertile land, it sub-lets at very high rents. Under the standing rules for settlement, too, it has come to be treated in assessment very lightly, far more lightly than it deserves, especially that portion of it which is persistently sub-let. In the district of Allahabad, in the year of verification by the Settlement Officer, 46 per cent. of the *sir* was sub-let, the proportion being 51·43 per cent. on Gangapar and 43·27 per cent. in the rural *Doab*. In ordinary years a considerably larger proportion is sub-let, the tenants having been ousted or prevailed upon to deny their tenancy in the year of verification through a fear that the *sir* might be expunged.<sup>1</sup>

**Tenant Legislation in the Central Provinces.**—In the Central Provinces the main divisions of proprietary right have been :

1. *Zamindars*, who historically have the highest claim of the proprietary body.
2. *Shikmi* or subordinate *zamindars*.
3. *Malguzars*.
4. Superior proprietors.
5. Inferior proprietors.

<sup>1</sup> See *Final Report on the Revision of Settlement in the Allahabad District, 1916*, p. 29.

There are also the *thikadars*, the Government having made provision for long-established lessees. Famines have ousted many old proprietors, while small proprietors who have weathered the famines have enlarged their estates at their own cost. Successful tenants also have purchased proprietary shares; while the money-lender or the speculative purchaser has come in also with greater or less fortune in different districts. There are three classes of tenants under the *malguzar*:—(1) Absolute occupancy tenants whose rents are determined by the Settlement Officer and are unalterable during the currency of a settlement. Their right is heritable and transferable, subject to pre-emption by the *malguzar*. (2) Occupancy tenants whose rents are also fixed by the Settlement Officer, but are liable to enhancement decennially, either by agreement with the landlords or on an application by the latter to a revenue officer. This right is transferable, subject to payment of *nazarana* or consent-money to the *malguzar*. (3) Tenants-at-will who work on the *malguzar's* home-farm, which consists of two kinds of land known as *sir* and *khudkasht*. The rack-rented tenants-at-will is found only on the *sir* land, for *khudkasht* land cannot be leased even for a year without the lessee acquiring occupancy right in it.<sup>1</sup> It is yet too early to hope that sub-letting will be prevented altogether, but the Central Provinces legislation represents an important landmark in the protection of the inferior peasantry, whose economic status and legal position have received little thought in Bengal and Bihar, or even in the new legislation in Agra and Oudh.

**Mortgage Regulation.**—An important direction in which the legal status of the cultivator may receive further protection is by not permitting mortgages excepting for the direct purpose of improvements, and for the purchase of agricul-

<sup>1</sup> *Report of the Indian Taxation Enquiry Committee, 1924-25, Vol. I, pp. 52-53.*

tural implements, live stock, etc. In case of non-payment such mortgaged lands should be transferred to cultivators only, preferably those of the same village, as has been the object of the Punjab Land Alienation Act, the Central Provinces Tenancy Act and the Chota Nagpur Tenancy Act to achieve. In Chota Nagpur the Tenancy Act has made the sale of *ryoti* holdings illegal. The practice, however, was not common, being entirely opposed to the fundamental ideas of aborigines about land tenure. The gradual expropriation of the aboriginal cultivators by the high-caste Hindus led to the passing of this Act. Although the limitations placed upon sale and mortgage of *ryoti* holdings are not entirely successful in their working, there is no doubt that the Act has already had real effect in a large part of Chota Nagpur. It would be very advantageous if mutual transfers between *ryots* were not merely allowed under section 46, Chota Nagpur Tenancy Act, but positively encouraged so that the *ryots* might have convenient fields adjoining each other which they could more economically cultivate and supervise. As against restricted transfer and sale it is maintained that this reduces the cultivator's ability to borrow up to the full value of the security of his holding, and that in time of stress or scarcity his capacity for resisting famine conditions is correspondingly reduced. The statistics of sale and transfer, however, show that in many parts of India, if the cultivators are to remain free, their need of the protection of the law against alienation of their lands is greater than the need of making credit easier and cheaper. Leases should be discouraged as far as possible to prevent the class of speculators or shifting tenants from crowding on the land. These should be conditional on actual participation in the risks of agriculture. If exceptional circumstances compel any tenant to sub-let his land, it should be provided that the term of such a lease must not exceed a limited



period, not more than one or two agricultural seasons. If after that period the lessor is found still unable to cultivate his own land, or to supply a portion of his own labour in association with the lease, the latter should have the right to buy up the former's interest in the land at a price settled by the village land court. Letting should not be allowed, as in the Russian Agrarian Code, where the whole family proposing to let gives up direct cultivation as the result of a change of residence or transfer to some other occupation.

**Simplification of the Tenancy System.**—The main object of legislation with regard to the sub-tenants or under-ryots and the inferior class of agricultural partners, *bargadars* or *bhagchasis*, should be to revert from the present complicated system of tenancy to the simple relation between partners which would have been a natural evolution had not the British Settlement declared the *zamindar* to be sole proprietor of the soil, abrogating the customary rights of the peasants. The problem is to recognise the existence of the large class of under-tenants who do not possess a definite legal status, to stabilise the practice of cultivation on a system of sharing the produce, *bhag*, *barga* or *batai*, which now seems to be widely prevalent according to the well-understood principles of *metayage*. Very often such peasants were the original tenants, who now work as labouring partners or on a sub-lease from the men to whom they mortgaged their land. In such a case the supersession of their status has been a grave economic error.

But the grant of such legal status must be limited by certain restrictions to prevent the neglect of land or the growth of antagonistic interests as a result of fresh sub-lease or tenancy. This purpose can be achieved by recognising the under-tenants or *bargadars* as occupancy-tenants, while at the same time preventing them from transferring their right. But this must be preceded by an offer to the

occupancy tenant himself to resume cultivation of the land instead of living as a rent-receiver. In case he does not accept this offer, the actual cultivator, the under-tenant or *bargadar*, should be given the right to purchase the land, or forthwith pronounced to have the right of an occupancy *ryot*. With the formal recognition of the agricultural co-partners as tenants and the grant of occupancy rights to under-tenants, the non-cultivating middle classes which have gained control of the land, will be induced to cultivate land themselves rather than to let it out on the present produce-sharing system, which has been responsible for so much under-cultivation and inefficient farming. There is yet another danger which is to be guarded against. The recognition of under-tenants and *metayers* as occupancy tenants might lead to wholesale ejection of such classes of tenants by the occupancy *ryots*, who would cultivate by means of hired labour. This might lower further the economic status of the actual tiller. Unless and until there is at the same time imposed some restriction of the area of holding which an occupancy tenant can cultivate without the importation of permanent outside labour, the situation will be precarious. The declaration of those occupancy *ryots* who sub-let their holdings habitually as *jotedars* or tenure-holders, and of under-*ryots* as occupancy *ryots* will prevent the rack-renting and eviction of the lower grades of tenants; while the gradual pressure exercised upon the tenure-holder by superior grades of proprietors in the form of an enhanced rental by threat of eviction will weed them out slowly.

**Co-operative farming of Landlord and Ryot.**—In cases where the right and not the wrong kind of *metayage* is found to exist, based on a real and close partnership in farming between the landlord and the tenant, the legislation ought to preserve it from deterioration. In most parts of India, the practice generally has been that the owner or tenant of the land supplies the bullocks and seed-grain,

while the sub-lessee provides all the labour. When the crop has been harvested the seed-grain and sometimes the rent are deducted and the remainder divided equally between the parties. In the United Provinces of Agra and Oudh the system of *batai* where the produce is divided equally between the landlord and the cultivator often prevails in non-occupancy holdings. The cultivator pays all the expenses of cultivation, while the landlord looks after the irrigation arrangements. If hired labour be employed, the landlord shares half the cost. In the case of sugar-cane which requires very large amount of labour in preparation of the crop, the juice is divided in two and three shares out of five between the landlord and the tenant respectively. The straw remains with the tenant. The general tendency has been for the landlord to perpetuate the system of *batai* while for the tenant to clamour for cost rents especially when he grows valuable crops. In Bihar, as we have seen, the landlord builds embankments, sinks wells, supplies irrigation water and levels the plots of land at his own cost; the tenant supplies the bullocks, seeds and agricultural implements, and either undertakes all field operations or pays for them.

First, in order to convert the *bhag*, *barga*, *bhaoli* or *batai* system into real *metayage*, or at least to prevent it from degenerating, the law should protect the *metayer* against arbitrary ejection by giving him legal recognition as tenant. Secondly, the law should fix a limit to the share demandable by the landlord and protect the *metayer* against all petty oppression, such as unfair appraisement now practised in collecting rent in kind. Thirdly, the *metayer* is to be assured of at least half the share resulting from any land-improvements which he makes by his own labour and capital. For this purpose produce tenancy agreements should be drawn up and duly registered, and their terms strictly adhered to by the parties. In such agreements

the landlord should, for instance, undertake to supply the land with the cottages, necessary *bunds*, and channels of irrigation, pay the whole cost of bringing new land under cultivation and making permanent improvements and repairs, and some portion of the cost of the bought manures and seeds and implements of irrigation. The cultivator would undertake to supply the ploughs, the live stock and the implements of husbandry and labour. The tradition of such partnership as between landlord and tenant still persists in India. In some parts of India we often come across *sanjhia* holdings. In these the landlord and tenant work jointly on the fields and divide the produce. Generally, the tenant is an under-*ryot* and the landlord a *ryot*, but occasionally the system is in vogue with a small proprietor as landlord. Lastly, the landlord or the tenant ought not to be allowed to commute the produce-rent into cash-rent. When he exchanges his share of produce for a money-rent, the landlord escapes trouble and rids himself of responsibility and risk, which are shifted to the tenant. The evil possibilities of this practice in the case of *metayage* have been illustrated, not merely in India, but also in Italy, France, Spain and elsewhere. On the other hand, the payment of produce-rent assures the tenants of protection against the inclemencies of the season or other calamities which make agriculture in India so uncertain. Under a produce-sharing arrangement, where the rent is proportioned to the produce, the tenants can always rub through one or two unfavourable seasons, and, if they have not much opportunity of making money, they are tolerably secure from ruin. Where the rent comprises a fixed amount of the crop irrespectively of the yield, this advantage is eliminated.

**Share-tenancy in Italy.**—In many regions of Italy share-tenancy has a long historical tradition behind it, and the success of the mixed and intensive type of agriculture is due in a large measure to this system. Immediately after the

war the produce-sharing agreements were modified, and it is very interesting and instructive to note the principles and character of share-tenancy that now prevail. In the more modern form of share-tenancy the contribution of the owner is nearly all the working capital in addition to the farm itself; the tenant contributes little more than his own labour. On the one hand, the holding must provide the means of ordinary subsistence for the family who work it, and there must be on the holding buildings suitable for habitation and also for housing the live stock and farm equipment. Machines and live stock are handed over to the tenant by the owner, who is also under the obligation of directing the cultivation and the farming of the land in accordance with modern principles of agricultural science as approved by practical experience; he is moreover obliged to carry out a scientific rotation of crops, to keep the farm stocked with the necessary live and dead stock, and to maintain a sufficient working capital in accordance with the technical requirements. On the other hand, the number of those who are reckoned in the family holding the land in share-tenancy must be proportionate to the requirements of the farm-work and the attention necessary for the live stock. Thus, the lessor may define, according to the provision of a tenancy agreement, what extent of land is in excess of the working capacity of the family, so as to hand it over "by preference to day labourers on a sharing agreement." The object is to strike a balance between the working capacity and the size of the holding, a matter of fundamental importance, as already has been observed, since it often happens that either the families are too small and so cannot cultivate the land successfully, or they are too large and cannot subsist on it. The kind of work that must be done by the tenant is set out in detail, together with all conditions, and it is recognised that the lessor has the power to have the work done at the expense of the tenant if he refuses

to do it himself or does not complete it in the proper time, or in accordance with the principles of good farming. Expenditure on the farm on tillage, and generally all expense connected with live stock and equipment, are divided equally between the owner and the tenant : usually the tenant provides all the labour and also the expenses of reaping and thrashing the grain, though the hire of the threshing-machine and the cost of fuel fall on the land-owner ; while the produce is divided usually in exactly equal shares. All questions as to interpretations and observance of the share-tenancy agreement are referred " for solution on general or professional grounds " to the local, national or provincial agricultural or share-tenancy organisations. The different clauses of the agreement, which are adapted to local traditions, circumstances and practices of cultivation, establish between tenants and land-owners that cordiality of relations which is indispensable for the success of the system of intensive farming.<sup>1</sup>

**Landlord's Duties neglected in India.**—Such a share-tenancy agreement, if adopted in India, would merely improve the existing custom of produce-sharing as between owner and tenant, which is an established tradition, deeply rooted in the general life of the Indian village. It would transform the *bhag*, *bhaoli*, or *batai* into something like the *metayage* of Italy and Southern France, where agriculture owes much to the superintendence of landlords, who often are domiciled in the nearest towns in these countries so dotted with ancient towns, and under whose fostering care the present remarkable agricultural prosperity of these regions has been brought about. The Indian landlord too often avoids trouble by neglecting his duties and delegating the mere function of collecting his own share of the produce

<sup>1</sup> G. Costanzo: " Share-Tenancy in Italy," *International Review of Agricultural Economics*, January-March, 1924.

to an agent or contractor. This has developed a spendthrift system of land management, which is an important cause of under-cultivation and poverty of peasants. Only a system of agreement based on complete accord and close collaboration of the different contracting parties can lead to the highest possible state of productivity of the land.

**Adaptation of Metayage to India.**—If the aristocracy and middle-class depend on cultivation as a subsidiary means of livelihood, they must assume the rôle of partners in farming, supplying agricultural capital and taking the risks of cultivation along with the actual cultivator. Mere absentee, sleeping partners no longer can be maintained on land which has been exposed to centuries of almost unmitigated exhaustion. The handicaps under which the inferior tenant labours in India can only be removed by converting the present customary relation between the landlord and the tenant into a satisfactory and elastic system of *metayage* or stock, capital and land-leasing. India is and is likely to remain a land of small farms. It is the landlord who should supply the capital and knowledge that the tenant lacks. The produce-sharing agreement should thus be such as would make landlordism coincidental with the duty of providing the land with agricultural capital and machinery, as well as expert guidance. On the other hand, it should involve the freedom to cancel the tenant-right, not only for non-payment of the rent, but also for misuse or neglect of the land on the part of the tenant. Such rent should be judged fair by the local land court. But where the landlord rather than the tenant-farmer is responsible for neglect or misuse of the land, his property should be made liable to sequestration. Tenant-right should be converted gradually into ownership and the expropriated land should be used to enlarge peasant holdings which do not suffice to maintain a household.

**Agrarian Reforms in Europe.**—The question of compensation of the landlord or the under tenure-holder in India as a rentier living on rent from his estate would have to be guided by both economic and political considerations. Compensation in cash or in bonds ; compensation for land, or for improvements effected by the landlords within a fixed period ; part payment, by easy instalments, of the price of land acquired by the small owners through the local board or co-operative organisations—these are details which can be settled by mutual agreement, with the experience of Ireland, Scotland, Germany and the countries in Eastern Europe to guide or warn the legislator. There have been sweeping agrarian reforms in all these countries which all have the same scope ; they have expropriated large land-owners and divided their estates among peasants and landless men. These new landlords, if the reforms are carried out fully, will cause the under-cultivated *latifundia* to disappear from Central and Eastern Europe. Some large farms and some medium-sized farms will remain, and some wage-earning labourers will be employed on them still. But the number of the labourers probably will fall below the level which makes unemployment and excessive emigration impossible. And in Hungary a larger number of labourers will own their cottages, built on good-sized allotments. In some countries, a much-diminished number of land-hungry peasants and labourers still exists. Excepting in Germany, the number of peasant holdings which can support a household comfortably will be enormously and permanently increased.<sup>1</sup>

**Compensation and Expropriation of Landlords in India.**—An effort should be made to constitute new small holdings and enlarge those in being, either in agreement with the landlord or in execution of a compulsory order after the

<sup>1</sup> Irvine : *The Making of Rural Europe*, pp. 208-9.



manner of the Scottish land court. Irish land legislation accepts the principle of expropriation, which also is incorporated in the Scottish reforms and those made in Continental Europe since 1918. It allows landlords to sell their rights in the land held by their tenants for a guaranteed price paid by the Government, and the tenants to buy their farms, paying for them by easy instalments. But also it enables the Estates Commissioners compulsorily to acquire land for which the owner has not duly accepted their final offer, as well as land in West and South Ireland requisitioned by the Congested Districts Board. Measures, such as these, cautiously adjusted to suit the economic needs and legal relations in different provinces, are calculated to raise rack-rented peasants in India into small owners, and, along with an efficient co-operative organization, into thriving small owners. There is no doubt that a remarkable change is likely to occur, or already has begun, in the mutual relations of the ownership and the occupancy of land and in their separate characters. The Bengal Tenancy Act secured the rights of the higher grade of peasants in Bengal, and this has served as a model for regulating the relations of landlord and tenant in other parts of India. The term "*ryot*" since has been given a strict legal interpretation. But, behind the security of the legally-recognised *ryot*, there has grown a group of capitalistic middlemen who are buying out the peasantry. Thus the emancipation of the lower grades of peasants is an insistent problem to-day. This will rectify injustice downward to cultivators below the legal peasant line. Between the great rent-receivers and the actual cultivators there is, indeed, a host of middlemen who are squeezing the cultivators out of the position of landholders. The abolition of this long array of middlemen seems inevitable. Secondly, there is the labourer, as distinguished from a regular tenant, who works for hire only or takes a share of the produce of his labour. He

hopes to have his status improved into that of a regular tenant.

**A Critical Situation.**—Not merely in the permanently-settled tracts, but also in other parts of India, the substantial cultivator is relinquishing his personal labour in the fields and depending more and more on hired labour or on the share system. This is an ominous system, which is bound later to be followed by a conflict between the higher and the lower peasantry, as in Russia or Germany. In Russia the agrarian reforms of Stolypin strengthened the position of the well-to-do peasant and tended to break up the communistic type of agriculture. The economic position of the landless labourers was neglected. The new Agrarian Code, on the other hand, is aimed directly against the profiteering peasants, to whom it allows only so much land as they can cultivate by their personal efforts, while it assists the working peasant to preserve his economic independence by means of the regulations for the distribution of farm land. Hence the typical peasant now should be the man of moderate standing who does not enrich himself at the expense of his neighbours and at the same time does not occupy any position of inferiority in their regard.<sup>1</sup> If the economic advantage gained by the cultivators results only in their joining the ranks of the parasites on agriculture, it is all the more necessary to improve the status of field-labourers and farm-hands. Some such revision of the old relations is necessary in India to ensure the peasant being economically as well as legally set free. The present deterioration of the position of the tenant forebodes an agrarian revolution ; and, unless the situation is handled boldly and sagaciously, it will end in disaster.

<sup>1</sup> M. Tcherminsky: "Agrarian Policy in Soviet Russia," *International Review of Agricultural Economics*, October-December, 1924.

## CHAPTER XI

### THE STATE AS LANDLORD

**The Basis of Land Assessment.**—As the tenancy laws protect the tenant in the *zamindari* tracts against arbitrary eviction and enhancement of rent, similarly the instructions issued to Settlement Officers in the *ryotwari* tracts protect the peasant farmer against an arbitrary assessment of the land revenue. In each *ryotwari* province, the land revenue is settled by periodical inquiries, district by district, into the profits and circumstances of agriculture and the agricultural population. For each province a theoretical standard of State demand is fixed which, however, may be modified by general considerations. The application of this standard everywhere requires a full consideration of yield or outturn, of prices and either of the cost of cultivation or of rent. But it is not seldom that the matter of estimating the full and true normal cost of agriculture is subordinated to the quest for arithmetical certitude or the consideration of financial necessity. Both in Madras and in Bombay, the term for which the land revenue of a district is settled is thirty years. In Madras, the water-rate is charged separately and fluctuates from year to year. In Madras and in Bombay, the revenue demand does not vary except on account of failure of crops and of water supply, or of improvement of irrigation facilities from a Government source. Individual remissions on wet land for failure of supply in the Government source, which are so important a feature in the Madras system, are absent in Bombay. The assessment system of Bombay is far more “fixed” than it is in Madras.

In Madras and Bombay the rent rate is much higher than the rate of Government assessment. Landless cultivators buy land with borrowed money, which means paying interest instead of rent, and in any tract where rents are high there may be several men in this position. Thus the actual rents are used here to indicate the maximum limit of the Government demand. These rents are often rack-rents, since the tenants under the *ryotwari* holders both in Madras and Bombay are unprotected. On the *zamindari* estates in Madras, every *ryot* who is admitted by the landlord to the possession of land has a permanent right of occupancy. There is no corresponding law, however, applicable to the tenants under the *ryotwari* cultivator either in Madras or in any of the provinces where the *ryotwari* system is in force. Yet the number of tenants in the Madras Presidency, for instance, is quite large. The following table shows the percentage of cultivating tenants in different districts of Madras :—

Name of district.	Percentage of agricultural population.	
	Cultivating land-owner and dependants.	Cultivating tenants and dependants
Ganjam	28·7	28·6
Vizagapatam	12·0	48·5
Godavari	14·9	18·8
Kistna	25·9	12·5
Guntur	48·6	2·8
Kurnool	40·2	8·6
Bellary	49·8	4·1
Anantpur	37·3	7·4
Cuddapah	41·6	2·4
Nellore	22·8	16·2
Chingleput	34·8	12·6
South Arcot	45·7	10·4
Chittoor	24·5	23·4
North Arcot	44·0	9·6
Salem	52·0	5·6

Name of district.	Percentage of agricultural population.	
	Cultivating land-owner and dependants.	Cultivating tenants and dependants.
Coimbatore	39.9	5.5
Tanjore	26.8	13.8
Trichinopoly	42.7	6.8
Madura (ex-Periyar)	48.7	6.3
Ramnad	50.7	7.1
Tinnevely	29.1	15.9

The following figures show the multiple of rental to assessment in three districts in the Madras Presidency in which re-settlement has been made :—

Multiple of rental assessment.

Vizagapatam	1912-16	4.15 (average ratio)
Tanjore	1914-18	{ Single crop wet—6 times. { Double crop wet—4.5 times. { Dry varies from 7 to 16 times.
Trichinopoly	1918-20	Approximately to 10 times for single crop wet.

The following table shows how the rates of rental to assessment have been rising continuously in the Trichinopoly district within the last few decades :—

*Statement showing the Net Lease Value per acre and its Ratio to the Assessment on Nirarabam  
Single Crop Lands in the Six Taluks of the Trichinopoly District.<sup>1</sup>*

Money rate in rupees per acre.	Period of years.	Trichinopoly.		Kulitalai.		Murai.		Lalgudi.		Udaiyarpalayam.		Perambalur.	
		Net lease value in rupees per acre.	Ratio of net lease value to assess- ment.	Net lease value in rupees per acre.	Ratio of net lease value to assess- ment.	Net lease value in rupees per acre.	Ratio of net lease value to assess- ment.	Net lease value in rupees per acre.	Ratio of net lease value to assess- ment.	Net lease value in rupees per acre.	Ratio of net lease value to assess- ment.	Net lease value in rupees per acre.	Ratio of net lease value to assess- ment.
10	1894-99	51	5	63	6	80	8	46	5				
	1912-17	75	8	60	15	88	9	72	8				
	1 18-20	116	13	148		40	4	117	13				
9	1895-99	38	4	49	5	92	10	37	5				
	1912-17	69	8	45	5	63	8	37	5				
	1918-20	100	11	33	4	43	5	61	6				
8	1895-99	39	5	49	6	74	9	36	11				
	1912-17	61	8	79	10	114	14	35	5				
	1918-20	114	14	35	5	98	4	46	5				
7	1895-99			61	9	77	11	33	7	14	2		
	1912-17			79	11	64	9	17	3	42	7		
	1918-20	18	3			32	5	44	7				
6	1895-99	59	7			74	13	74	13				
	1912-17	59	7					24	5				
	1918-20	59	5					56	11				
5	1895-99			33	7	16	3	76	15	20	4		
	1912-17			93	19	37	7		15	15	3		
	1918-20			43	9			44	10	15	8		
4-8	1895-99												
	1912-17												
	1918-20												
4	1895-99			37	9								
	1912-17			59	15								
	1918-20												

<sup>1</sup> The above tables are derived from the Report of the Indian Taxation Enquiry Committee, Vol. II (Appendices).

In Madras as well as in Burma, the assessment has been based on the net produce, but whereas in Burma no allowance has been made for home labour, in Madras an endeavour has been made to ascertain the full cost of cultivation. The earliest settlements in Bombay were carried out on the same principle. In the Punjab, the assessment is based on the net assets, the average surplus which an estate may yield after deducting the expenses of cultivation. In the Central Provinces, it is based on the net assets of the landlord, of which by far the most important item is the rate actually payable by tenants. For the North Western Provinces, the Saharanpur Rules laid down half of the well-ascertained net assets as the standard of Government assessment. But the construction placed on the word "assets" at the time, and for many years later, permitted the Settlement Officer to look beyond the actual cost rental and to take into consideration prospective increases of income, to assume a fair rent for land held by tenants enjoying privileges as against the landlord, and to consider the profits of *sir* or home-farm cultivation (where the land was held entirely by cultivating proprietors) as well as the rental value of the home-farm lands. Hence it arose that the assessment taken, though amounting only to about 50 per cent. of the nominal assets, absorbed as a rule a considerably higher proportion of the realised rental. Thus in every province the State claims the right of one half of the net produce, the net assets or the rent, whichever is taken as the basis of assessment.

**Agricultural Costings.**— In practice, the assumptions made in calculating the net assets are immoderate, and the interpretation of the share claimed by the State has sometimes become severe. Agricultural indebtedness accordingly weighs heavily on the mass of the Indian peasantry, and evictions and forced sales take place to a greater extent than is consistent with sound finance. Regarding the security

of the peasants against the undue encroachment of the land tax as the object to be achieved, the solution can be found only through improvement of methods of calculating agricultural surplus. The instructions for calculating the cost of cultivation require to be brought into closer relation with facts, and the statistical inquiry needs to be improved by giving more detailed attention to representative economic data.

In Bombay, for estimating yields, the Settlement Officer examines the results of crop measurement by the Agricultural Department and may personally conduct a few experiments, but he uses them chiefly to guide him in determining the average local yield per acre of each crop that is commonly accepted in the payment of produce-rents. In the Punjab the estimate of yields is a more important process. But the Settlement Officer makes great use of figures covering large areas supplied by military farms, estates under the Court of Wards, and large landowners. A single estimate is framed for each main kind of crop throughout the assessment circle. The Settlement Officer selects those recent years, usually from three to five, which he thinks will give a true normal, and the average of these is assumed to represent the normal proportion under each crop. In the Central Provinces the procedure is somewhat on the Punjab lines, but less elaborate, and a single estimate for each crop is framed for the whole district. In Madras the relative productivity of the different soils is estimated in terms of the food crops both by measurement and inquiry. From the yield as determined on this basis an allowance of 15 to 25 per cent. is made for vicissitudes of season and unculturable patches. As regards the cost of cultivation, the methods of inquiry in vogue have been found to be less satisfactory, and often the instructions of the Settlement Officers have been adversely criticised. In the Central Provinces and the Punjab, where assessments are based on



rents, the cultivator is necessarily allowed the full cost of cultivation. In the Punjab it is expressly laid down that, where the estimate of the net produce for an assessment circle is checked by a separate estimate for a well-irrigated holding, actual or supposed, if the owners cultivate themselves a reasonable sum must be allowed as the price of their labour. In Bombay the difficulty is avoided owing to the limitation of enhancements. In Madras, where the basis of assessment is the net produce, the directions for original settlements contemplate the exclusion of home labour in calculating the cost of cultivation. First and last, estimates of the cost of cultivation must depend on the care and judgment of the Settlement Officer; neither can be supplied by rules, however detailed.<sup>1</sup>

**Taxable Capacity of Holdings.**—The method of computing agricultural yields and costs should be adapted to the different conditions of tenure and settlement, soil and crops, so that there shall be no encroachment on the standard wages of agriculture in an economic cultivation unit. Where an inadequate allowance is made for the labour of the cultivator and his family, the system, strictly applied, would justify a higher assessment on the poorer cultivator working a small holding with his own family than on a wealthier peasant employing several labourers.

In a country where agriculture is almost the only occupation, where the peasants are rooted to the soil, and where the chief rent-receiver is the State and not competitive landlords, the question of the peasant's standard of life and the standard wages of cultivation must not be left to be decided by forces of competition. The curb of an estimate of

<sup>1</sup> For a discussion of the methods of ascertaining yields or out-turns, and the actual demand in the different provinces of India, see *Report on the Land Revenue System of Burma*, Vol. I, which is used freely here.

normal or standard wages of cultivation must be applied to the uncontrolled economic forces now manifest in the lowering of the status of the small holder, his indebtedness and his compulsory expropriation.

Investigations into the yield of agricultural produce show that in normal years there is food shortage in the country; thus the present land tax encroaches upon the physical subsistence which is necessary to maintain the cultivator and his family. The income from the land which is below the size of the economic cultivation unit is a necessary element of income without any ability to bear a tax.

**1. Mughal Revenue Collection.**—The modes of land assessment also aggravate instead of mitigating the effects of restless encroachment. The Mughal and the Mahratta rulers obtained from the land “a net one-half” of the produce; but, when there was scarcity, the assessment was reduced. A very interesting instance of such reduction is afforded by a *firman* of the Emperor Aurangzeb, which is as follows :—

“ If Khiraj-i-muazzaf has been fixed on a land and a calamity befalls some crop of the land by which it is not totally destroyed, then you ought to enquire into the case and deduct from the revenue to the extent of the enquiry done ; and from the portion that remains safe, take so much of the produce (mahsul) that the ryot may have a net one-half, *e.g.*, ten maunds are usually produced in a field ; on account of the calamity six maunds only are left (safe); the net half of this is five maunds ; therefore, you should take one maund only (as revenue), so that the net half, *viz.*, five maunds, may be left to the ryot.”

During the palmy days of Mughal administration the revenue collectors were subjected to a variety of checks, so that the chances of rack-renting and oppression were very

small. / " If (God forbid) any calamity from earth or sky overtakes a mahal, strongly urge the *amins* and *amils* to watch the standing crops with great care and fidelity, and after enquiring into the sown fields they should carefully ascertain (the loss) according to the comparative state of the present and past produced (*hast-o-bud*). You should never admit as valid any *sarbasta* calamity, the discrimination (*tafriq*) of which depends solely on the reports of the *chaudhris*, *qanungoes*, *muqaddams*, and *patwaris*. So that all the *ryots* may attain to their rights and may be saved from misfortune and loss and usurpers may not usurp (other's rights). Strongly urge the *amins*, *amils*, *chaudhris*, *qanungoes* and *mutsaddis*, to abolish *balia* (or *halia*) exactions (*akhrajat*) in excess of revenue and forbidden *abwabs* (*cesses*), which impair the welfare of the *ryots*. Take securities from them that they should never exact *balia* or collect the *abwabs* prohibited and abolished by His Majesty. And you yourself should constantly get information and if you find any one doing so and not heeding your prohibition and threat, report the fact to the Emperor, that he may be dismissed from service and another appointed in his place."

**Recent Increases in Land Revenue Assessments.—** With an incorrupt body of subordinate officials and with far greater knowledge of local agricultural conditions, the present system might be made much more responsive to the local fluctuations in agricultural prosperity. In Madras, Bombay, and the United Provinces in particular, assessments have gone up by leaps and bounds. Thus the whole system of land-tenure and taxation is called in question by the repeated famines, even though they have been stripped of some of their old horrors. The following figures exemplify the large and continuous increase of the land revenue :—

Year.	Land Revenue. (Crores of rupees.)	Cropped area. (Millions of acres.)
1890-91	24·04	194·41
1893-94	25·58	197·88
1898-99	27·46	196·48
1901-02	27·41	226·00
1907-08	26·67	221·68
1908-09	28·29	218·00
1914-15	30·70	227·68
1918-19	33·00	201·88

Only those years have been selected which have followed a famine.

If we now consider the assessment of the three provinces mentioned above the increase would be found to be even greater.

#### MADRAS.

	Year.	Land Revenue.) (Lakhs of rupees.)	Index No. of agricultural income per head.	Cropped area. (Millions of acres.)
K. L. Datta's figures for 1890-94.	1886-87	460·6	100 <sup>1</sup>	28·01
	1902-03	582·5	132	24·60
K. L. Datta's figures for 1905-09.	1913-14	574·8	160 <sup>2</sup>	34·18
	(excluding irrigation receipts).			

#### UNITED PROVINCES.

1886-87	580·7	100 <sup>1</sup>	35·07
1902-03	626	106	34·61
1913-14	522	130 <sup>2</sup>	33·27
1922-23	914	(excluding irrigation receipts). <sup>3</sup>	

<sup>1</sup> K. L. Datta's figures for 1890-94.

<sup>2</sup> Ditto 1905-09.

<sup>3</sup> Ditto 1917-18.

## BOMBAY.

Year.	Land Revenue. (Lakhs of rupees.)	Index No. of agr cultural income per head.	Cropped area. (Millions of acres.)
1886-87	270	100 <sup>1</sup>	24·2
1894-95		89	24·5
1900-01	298	105	21
1918-14	311	123 <sup>2</sup>	30·8

So enormous an increase in the revenue cannot but diminish the capacity of the peasant to bear the strain of bad years.

The increase in the incidence of land revenue per cultivated acre and head of population is as follows :—

<sup>1</sup> K. L. Datta's figures for 1890-94.

<sup>2</sup> Ditto 1905-09.

	Per acre of cultivated area.				Per head of Population.			
	1901-02	1911-12	1916-17	1923-24	1901-02	1911-12	1916-17	1923-24
<b>Bihar and Orissa—</b>								
Permanently settled areas	...	0 8 0	0 8 1	0 8 1 (1921-22)				
Temporarily settled areas	...	1 1 0	1 2 6	1 0 6	...	0 8 0	0 8 7	0 8 8 (1921-22)
<b>Bengal—</b>								
Permanently settled areas	0 12 0	0 15 0	1 2 0 } (1917-18)	1 4 8 } (1922-23)	...	0 11 0	0 10 9 (1917-18)	0 10 6 (1922-23)
Temporarily settled areas	1 8 0	1 12 0	1 12 3 }	1 15 10 }				
<b>Agra—</b>								
Temporarily settled areas	1 13 0	1 14 0	U.P. 1 13 4	1 4 5 (1920-21)	1 9 0	1 9 0	1 11 3	3 6 1 (1921-23)
<b>Oudh—</b>								
Temporarily settled areas	1 14 0	2 0 0			1 7 0	1 8 0		
<b>Punjab—</b>								
Permanently settled areas	1 1 0	1 4 0	1 11 3 (1919-20)	1 13 0	...	...	...	...
<b>Bombay (Ryotwari)</b>	1 5 0	1 10 0	1 9 5 (1915-16)	1 12 7	2 8 0	2 8 0	2 1 7 (1915-16)	2 6 11 (1920-21)
<b>Central Provinces—</b>								
Ryotwari	0 7 0	0 9 0	C.P. & Berar } (1919-20)					
Zamindari	0 9 0	0 10 0						
<b>Benar (Zamindari)</b>	1 3 0	1 5 0	1 4 10 }	1 4 5	2 15 0	3 0 0	3 0 3 (1919-20)	3 1 6
<b>Madras (Ryotwari)</b>	2 5 0	2 7 0	0 12 6 (1918-19)	0 12 6	1 13 0	11 4 0	1 13 8 (1918-19)	1 15 7

Moreover, the delay of settlement operations, the petty oppressions of the subordinate staff and the uncertainty and harassment of the agricultural classes, ought not to be ignored. Mistaken assessments have led to discontent in some regions, while in others there has been a check to expenditure on land improvements due to the fear of enhanced revenue demand.

**Liberalization of the State Share.**—In the United Provinces the pressure of the population on the land has been so great that land might be cultivated at a loss and the competitive rent rates could no longer be accepted as the standard of revenue assessment. Indeed, in many districts of Agra, the excessive difference between the occupancy and competitive rents has reached a point at which standard rates would have given an unjust enhancement of the old occupancy rentals, if based on competitive rents. This basis accordingly has been abandoned in recent settlements as giving an unduly high level of rent rates. In recent years there has been accordingly a steady diminution of the State claim. In the United Provinces as well as other *zamindari* provinces, prospective assets have now been excluded from cultivation; allowances have been made for improvements made by the landlord, for precariousness of cultivation and for local circumstances, and the revenue has been fixed at a share of the annual income of the proprietor, his income including a fair rental value for the land which he farms himself or assigns on privileged terms to tenants. In the Central Provinces, so far as the most important head of income—the cash rental—is concerned, the true assets do not now mean, as was formerly the case, a fair rental value irrespectively of the rental actually payable where the tenant holds on less than a fair rent. The assessment is now based on the rents actually paid as fixed by the Settlement Officer, and these are always below the rental value.

The new C.P. Settlement Act of 1929 has incorporated certain economic principles which should guide the revenue policy of other provinces. In calculating agricultural costs the depreciation of agricultural capital and payment of interest are now taken into account while the Act has in some measure recognised the principle of exemption of the cultivator's and his family labour and supervision which now forms definitely an element of true estimated cost of cultivation. The Settlement Officer shall have regard to the profits of agriculture, the existing level of rents and the sale prices of land, but may fix a rent for a holding lower than the rent justifiable under this section in order to avoid an excessive reduction in the tenant's profits.

To safeguard the interest of tenants and to prevent an excessive enhancement of their rent by settlement operations, it is necessary to initiate a more careful and intensive inquiry into the costs and profits of agriculture than ever yet has been undertaken. Thus the Settlement Officer should be required in framing an estimate of true and normal cost of cultivation to make an adequate allowance for all labour expended by the cultivator and his family. In the second place, he should also include the depreciation of cattle and agricultural implements, besides the interest the cultivator must pay on his debt whether his crop be successful or not. Thirdly, he should provide a yearly reserve against the normal risks of agriculture due to precariousness of the seasons. All these items are as much part of the cost of production as the provision of seed or manure, and, together with the more usual items, should be deducted from the gross value of the produce taken as the basis of assessment; but the theoretical State demand of half the net produce takes no account of these. Where such items are not considered at all, the figures which purport to show the cost of cultivation become arbitrary and nominal. In Madras, until 1915, the assessment



represented half the net produce, *i.e.*, the balance left after deducting cost of cultivation from the value of the gross produce. In 1915 it was laid down that a half should represent the maximum limit and not the normal standard. The rule in Bombay is that the enhancement of revenue over a district at re-settlement shall not exceed 33 per cent. In regions where rents are raised as high as active competition for land can raise them, it is desirable that the Government should lay down one-third of the net produce or rental value as the amount which may be suitably taken as revenue. Above all, the practical application of the theoretical rate of demand must be lenient and be tempered by a liberal system of allowances for failures and fallows. The protection of peasant proprietorship against an immoderate Government assessment should be as scrupulously observed as the protection of tenants and sub-tenants against rack-renting landlords. Moreover, the Government as the landlord ought to bind itself with the cultivator in a real and close partnership in farm development, undertaking measures of irrigation and land improvement, such as building *bunds*, digging wells, reclaiming marshes, etc., on account of which not more than a fair interest of the cost of construction ought to be charged as revenue.

**Evils of Over-taxation.**—The theory that the State is the proprietor and is entitled by ancient custom and historical precedent to a share of the proprietary rights of land has been disproved by many writers. Formerly, the king or his subordinate took as tax from the peasant a share of the grain actually produced, and this tax varied according to the quantity of the yield in different soils and climatic conditions. Such a system still prevails in some of the Indian States to-day. The commutation of grain payments into cash and the rigidity of the collection sometimes adversely affected the lot of the cultivator. The successive settlements bring into the coffers of the Government a larger

and larger share of the field produce, which if peasant proprietorship were absolute might have returned into channels of permanent land improvement. So far as public finance is concerned permanent settlement, it must be admitted, fixes the revenue from the land, while public expenditure grows faster than the sources of taxation. But on the other hand; the temporary settlement marks out the land as the main object of taxation and makes agricultural income pay a larger share of its quota to the Government revenue than is deemed wise under the present conditions of peasant farming in India. In some tracts, therefore, there has appeared the evil of rack-renting with its sequence of forced sale and eviction even as the permanent settlement by leading to great subinfeudation of rights in the soil and with it to much subletting all down the line has involved the most uneconomical forms of land management.

## CHAPTER XII

### THE AGRICULTURAL LABOURER

**Classes of Population and their Economic Conditions.**—The decline of peasant proprietorship, the prevalence of landlordism and the growth of the landless class have affected profoundly the distribution of wealth in India. The control of land in an old agricultural country like India naturally has shaped in great measure her social and political organisation, and therefore the recent changes in ownership and tenancy must react imperceptibly but inevitably on the whole fabric of social life. The economic distribution of wealth is judged from the broad division of population into agricultural, industrial, economical, professional and other classes. A closer analysis would require in the first place the differentiation of industrial workers from agricultural labourers (farm-hands, etc.) and general low-grade labourers of the miscellaneous and casual type who are on the margin of work and life; and, secondly, the isolation of the fixed-wage-earners from the rest. It is on the landless classes that the vicissitudes of the times tell with most crushing effect. The following figures from one of the famine-ridden districts of the Central Provinces speak for themselves. The labouring castes in Saugor district in successive census years were enumerated thus :

1891	145,420
1901	109,225
1911	140,149

There was a fall of 25 per cent. during the famine decade; but in 1911 the aggregate rose to within 4 per cent. of

the figure of 1891. Many who migrated doubtless returned; and with increasing prosperity the birth-rate improved. Again, famines cut out half a generation, but children born since 1900 reached the working-age.

The professions, representing more or less the affluent section of the community, form a microscopic minority in India. The fixed-wage-earners also form a very small section. The unskilled labourers now are seen to increase decade after decade. The following table shows their number in 1911 and in 1921:—

	1911.	1921.	Variation per cent.
Farm servants and Field labourers.	41,246,335	37,924,917	—8·1
Labourers and workmen unspecified.	8,273,650	9,800,105	+12·4

**Part-time Hired Labour.**—Hired labourers in India, unlike those on the farms of North and North-West Europe, are not whole-time professional labourers but part-time day-labourers. They usually own a little land themselves, and would like more, but there is also a growing class of landless labourers whose employment is uncertain, and who shift from fields to factories and mines and from factories and mines to plantations.

**Decline in Cultivating Land-owners and Field-labourers.**—Every circumstance, which has weakened the economic position of the small holder, has increased the supply of agricultural labourers—the loss of common rights in the rural economy, the disuse of collective enterprise, the subdivision of holdings, the multiplication of rent-receivers, free mortgaging and transfer of land, and the decline of cottage industries. The growth of population in this century has been so great and the holdings have become so fractionalised that often the latter are uneconomic,

compelling the peasants to supplement the proceeds of their holdings by outside work, or to sell their lands to middlemen or to more prosperous peasants. It is noteworthy that the populations on the margin of life engaged in occupations that entail heavy physical but little mental energy are endowed with larger families than the higher and the more intellectual sections of society. In a normal decade, with no epidemics or other disturbing factors, such sections of the community may be expected to increase faster than the rest. The last two decades have been abnormal, and the mortality, which is always the heaviest from these lower orders, has been particularly heavy. Mr. S. V. Mukerjee, who in his *Census Report* discusses this question, shows that the number of field-labourers in Baroda has been progressively decreasing since 1901; but, on the other hand, the number of cultivators and receivers of rent from agricultural land (with their dependants) has progressively increased (from 970,675 in 1911 to 1,058,182 in 1921). The *Punjab Census Report* similarly records an increase of the number of persons living on income from rent of agricultural lands from 626,000 in 1911 to 1,008,000 in 1921. On the other hand, the number of farm-servants and field-labourers actually has decreased from 1,192,000 in 1911 to 1,134,000 in 1921. In Madras there is a similar tendency throughout the last 20 years for cultivating landowners and labourers to lose ground to the cultivating tenant and the non-cultivating rent-receiver or rent-payer. For every thousand workers (*i.e.*, excluding dependents) the non-cultivating classes number 77 in 1921; they numbered 20 in 1901. The agricultural classes are proportioned as follows in the Madras Presidency<sup>1</sup> :—

		1901.	1911.	1921.
Non-cultivating land-owners	...	19	28	46
Non-cultivating tenants	...	1	4	28
Cultivating land-owners	...	484	426	881
Cultivating tenants	...	151	207	226
Farm servants and field-labourers	...	345	340	817
		<hr/> 1,000	<hr/> 1,000	<hr/> 1,000

Does this imply, asks the Census Superintendent, that the man who farms his own land is being forced to relinquish it to the non-cultivating money-lender from whom he will cultivate as a tenant? In the United Provinces, the number of ordinary cultivators has increased from 28,712,015 to 29,843,168. On the other hand, the number of farm-servants and field-labourers has decreased from 4,552,043 in 1911 to 4,035,887 in 1921, the decrease being 11·3 per cent. In 1891 cultivators, including both tenants and cultivating proprietors, formed 52 per cent. of the population. In 1921 they formed 64 per cent., although the holdings area has increased in the same period by only 6 per cent. Between 1891 and 1921 the number of persons whose main source of income is agricultural rents has increased by 46 per cent. In Bihar and Orissa rent-payers or ordinary agriculturists have increased by 9 per cent. while farm-servants and field-labourers have declined by 22 per cent. In Bengal also the number of ordinary cultivators, including dependents, has increased from 29,748,666 to 30,543,557, and the number of farm-servants and field-labourers has diminished from 3,660,000 to 1,805,502, the decrease being 50 per cent. In Central Provinces and Berar ordinary cultivators have decreased by 161,000 or 2 per cent., while rent-receivers have increased by 67,000 persons or 52 per cent. This has been due to the increase of subletting. Farm-servants, however, have declined by

23 per cent. The following statement of the economic position of the different classes in Balaghat shows the same tendency. The number of rent-receivers and cultivators increased from 173,655 to 205,753 in the period 1891 to 1901, but the number of farm-hands actually decreased from 52,264 to 44,802, a reduction by 15 per cent. approximately, while the number of field-labourers showed but very slight increase, 48,500 to 51,470. Many of the farm-hands took to cultivation without altogether giving up their former occupation of labouring in the mines and on irrigation works, or carting mineral and forest produce. It is doubtful whether this increase in the number of cultivating owners and tenants is an unmixed good. Where the agricultural labourer as a result of the rise in prosperity sets up as a peasant proprietor, we may hope he turns his land and his own life to good account with the magic of property around him. But mostly he is without staying power, and his holding is more often than not too small to be economic.

**Driving the Hired Labourer off the Land.**—By a selective process, the superior cultivator is driving the more thrifless of his brethren to the marginal areas. Accordingly the extension of cultivation results, if in anything, in a gradually diminishing return for an increasing amount of labour and expense. It is noteworthy also that the figures of the transfer of land by agriculturists to non-agriculturists show that the tendency of the latter to take possession of the agriculturist's land is to a certain extent increasing synchronously with the tendency to let the land rather than cultivate through hired labour. In Bengal ordinary cultivator workers number 9,274,927 and farm servants and field-labourers 1,805,502. There is thus only one hired labourer on the land to every five who cultivate land of their own. In Dacca and Chittagong Divisions, there is only one hired labourer to eight ordinary cultivators. In the

United Provinces there are 16,092,000 cultivators (workers) while the farmers and field-labourers total 4,035,887. Here there is only one hired labourer to every four cultivators (workers). In the Central Provinces and Berar 47 per cent. of the population are cultivators and 27 per cent. firm-servants or labourers, i.e., there is approximately one hired labourer to two cultivators. In England and Wales there are by contrast well over three hired labourers to every farmer. It may be said generally that the holdings in the United Provinces, Bihar and Bengal are so small that the cultivation of them is hardly ever too much for their owners themselves to accomplish unaided. And, in fact, the greater the pressure of the agricultural population on the soil, and the more uneconomical in size the holding becomes as a result of minute subdivision, the less will be the tendency to employ hired labourers in the fields, who thus will have to seek employment in the rural tracts as earth-workers and road-menders, or migrate to industrial towns and plantations. This explains the large increase of the class of unspecified workmen in the last census decade. The more efficient of them may accordingly be called professional labourers (*majdur*) as distinguished from field-labourers. The professional labourers work on roads and railways, in harbours and dockyards; they are employed for canal-cutting and building construction, for the lower strata of domestic service and for all the work which demands either a little more intelligence or more strenuous exertion than the work done by a field-labourer.

**Conditions of the Field-labourer.**—Somewhat superior in economic status are those field-labourers who possess small plots of land of their own, or who work as partners receiving half the crop for cultivating another man's plot, the principal paying the rent and supplying the seed-grain. If no seed-grain is supplied, half the reaping expenses is generally given by the principal if he wants a moiety of the crop.



If neither seed nor reaping expenses are given, the shares are two-fifths to the principal and three-fifths to the cultivator. Such division is carefully adjusted to agricultural conditions, district by district. Sometimes the peasant acquires the right to cultivate another's plot by offering paddy loans, and the shares are governed by local economic conditions. It is because the holdings do not suffice for their owner's maintenance that they are hired out. Sometimes, again, the labourers do not possess any holdings at all, either of their own or on a share basis, and are attached permanently to a cultivator's family or move from plot to plot. In the former case they are furnished with a small hovel in the midst of the farms which they till. The field-labourers often are paid in kind for their services. They receive a share in the crop, together with other dues which are fixed by custom. This custom varies from province to province. Again, the share of the farm-hands differs according to harvest conditions. Usually the share of the harvest allotted to farm-hands is standardised by a bundle tied with three lengths of straw. As the straw length increases or decreases with a good or bad harvest, there is an automatic adjustment of wages. When the harvest is abundant the field-labourer enjoys plenty. The Chamars in the United Provinces who supply agricultural labour and help the cultivators in ploughing, sowing and reaping, and also in repairing the cottages, are given one-thirteenth part of the produce of barley and one-sixteenth part of wheat. The Ahirs who sometimes supply agricultural labour receive the same remuneration. They are often tied to the same plot of land for generations. In the Punjab the Chamar, if he is a *separ* (permanent *kamin*) receives one-tenth of the whole crop of grain for the general help rendered by him. The Chamars remove dead cattle, provide two pairs of boots a year for the ploughman, and two for the woman who brings the bread into the fields, besides one ox-whip (*narka*) and a leather rope (*santa*) to fix the yoke

(*jua*) to the plough in the half-year, and furthermore, do all the necessary repairs. In addition to their basic function as artisans the Punjab Chamars perform a very considerable part of the agricultural labour. They clear the fields before ploughing and assist the reaping of the harvest. They also plaster the houses with mud when needed and do all kinds of odd work. The status of the field-labourers has been governed by ethnic and social history, and by the agricultural conditions and population of the village in different provinces, from time immemorial. In Bengal reapers are paid in kind at the rate of one bundle to every ten bundles they cut. Wages in kind for agricultural labourers, who are on a yearly contract, are 8 to 10 maunds of rice a year, two pairs of cloths and two napkins, together with other small requisites. In the Birbhum district the annual wages of the day-labourer vary from Rs. 8 to Rs. 24 together with 6 or 8 *bish* of paddy. In Burdwan wages are seen as high as Rs. 120. Five to seven cloths are usually given to the labourer's family and 12 days' casual leave allowed. If the absence exceeds this limit there is a deduction from wages. When new hands are hired they are paid as much as 5 to 6 annas per diem. In many villages along with paddy or husked rice, tobacco, *jalpan* (tiffin), oil for bathing and even a meal is given. In the South-Western districts the rate is 4 to 5 annas per 15 *gandas* or 16 sheaves; any additional work is paid in the same proportion. For the pulse and *rabi* crops the rates are less. Sometimes the reapers make a contract for reaping an acre at the rate of so many bundles. Since the price of food grains is rising enormously, it is becoming a common practice for the land-holder to substitute payment in cash for payment in grain. The Wage Census of Bengal, 1916, shows that wage rates are generally much higher in East and North Bengal than in West Bengal. Taking the wages of unskilled labour as a standard of comparison, we find the highest median rate obtains in the Faridpur district

(9 annas) and the lowest in the Murshidabad district (4 annas). In the Bombay Presidency wages in kind are now about 5 seers of *jowar*, while cash wages are 8 or 10 annas a day in the more prosperous districts. In the Western Punjab Rs. 5 per month, with a blanket and a pair of shoes at the end of the year, are what a day-labourer expects. In the colonies, he receives twice that amount and food and clothing as well; and, if he is sufficiently skilled to work in a garden, he may earn as much as Rs. 18 or Rs. 20 a month. Hours of labour, too, are less exacting and better work is done in consequence.<sup>1</sup> Cash wages in the Punjab are six and seven annas a day, and in the United Provinces four to six annas. In a recent enquiry in the Bombay Presidency, it was found that, in 990 villages in which enquiries were made, cash wages without supplement were usual in 233 villages and grain wages in 376 villages. In some of the villages more than one method of payment was in vogue. It is unjust that the land-holders should sell away all the grain and force these field-labourers to purchase what they need from the petty shop-keepers at an enhanced price. The one way of escape for the *padial* from this condition of servitude and poverty is emigration.<sup>2</sup> But the prospects thus commended are not very attractive. In Ceylon and other plantations the male labourer's wage is only 5 annas, whilst a woman labourer must be satisfied with 3 annas.

**Wages and the Price of Rice.**—It would be interesting to chart the movement of wages in the rural areas in Bengal during the past eighty years :—

	1842	1852	1862	1872	1911	1922
Field-labourer without food (annas)	1	1½	2	3	4	4 to 6
Carpenter (annas)	2	3	4	6 to 8	7 to 10½	8 to 12
<i>Gharami</i> , housemaker (annas)	2	3	4	5	6	6
Price of rice (seers per Re.)	40·0	30·0	27·07	22·74	15·0	5·0

<sup>1</sup> Darling: *The Punjab Peasant*, p. 159.

<sup>2</sup> Slater: *South Indian Villages*.

**Nominal and Real Wages.**—Economists draw a distinction between Nominal and Real Wages. By "Nominal" or money wages is meant the actual cash which a man earns for a period of time, by "Real" wages is meant the quantity of goods which a man can buy with his money wages. In making comparisons between the economic conditions of different periods, in districts or regions, "Real" wages must be taken. Mr. K. L. Datta, in his *Report on the Enquiry into the Rise of Prices in India* selected the period from 1890 to 1894 as his basic or standard period for the purpose of estimating fluctuations in price levels. In reviewing rises in wages in subsequent years, he observed that in rural areas in India wages of agricultural labourers and village artisans have risen enormously as measured by their purchasing power. About 1912 they were about 38 per cent. above the level of the standard period. The rise in the wages of industrial labour was not so great. Nominal wages had increased in every case, but the rise was not, in all cases, so great as the rise in prices. The nominal wages of agricultural labour rose from 105 in 1895 to 189 in 1912; and real wages from 103 to 138 during the same period.<sup>1</sup> It must be pointed out here that these wages figures make no allowance for the fact that agricultural labour cannot be employed continuously throughout the year. There are, as we have seen, idle as well as busy agricultural seasons, and wages received during busy seasons must not be taken as representing average remuneration throughout the year. The following may be accepted as a comparative statement showing nominal and real wages of rural agricultural labourers and labourers in tea gardens in Assam :—

	Nominal Wages.						Real Wages.				
	1890 to 1894 (Index period)	1895	1900	1905	1910	1912	1895 to 1900	1900 to 1905	1905 to 1910	1910	1912
1. Agricultural labourers	100	105	125	147	170	189	103	120	123	134	138
2. Tea-Garden labourers	100	106	108	106	117	120	101	96	90	98	95

<sup>1</sup> *Second Wage Census of Bengal, April, 1911.*

Thus the coolies in tea-gardens appear to be in the inferior position, since their real wages have fallen five per cent. below those in the basic period ; though they are vouchsafed some concessions of a limited character, such as land for cultivation and in some cases rice at less than the market price.

**Rise in Wages less than Rise in Prices.**—The Committee appointed to enquire into labour conditions in Assam found that the percentage of the rise in family earnings in the case of tea-garden labourers for the whole province in 1922 as compared with 1914 is 19·2. On the other hand, the price of the necessities of life rose in the same period by 39 per cent.

The items of expenditure of a labourer's family are tabulated in what are called family budgets. As a rule a tea-garden coolie brings his family with him to the garden. In industries like the jute-mills and coal-mines the labourer frequently leaves his family in his native village and sends money to them or returns home after some months with his savings. It is estimated that the average coolie family consists of one working woman, about three-tenths of a working child, about one non-working child and two-tenths of an adult non-working dependent. Accordingly, the subsidiary occupations of the man, particularly rice cultivation, and the household duties of the woman, are responsible for a considerable percentage of the absentees on the daily muster-roll. Adopting the standard of an average working family as consisting of one working man, one working woman, and three-tenths of a working child, the rise of earnings has not kept pace with the increase in the family budgets. In other words, the rise in real wages is appreciably less than the rise in nominal wages; or, in yet other words, the purchasing power of the present level of wages is less than in 1914. The *Report* of the Board of Revenue of the United Provinces for 1921 states : “ The demand for

labour was again in excess of the supply and wages rose in consequence proportionately to the increase in the cost of living, so that labourers did not suffer." The Assam Labour Enquiry Committee remarked: "It can hardly be a matter of surprise if, under these favourable conditions, labourers from the United Provinces should regard the attractions offered on many estates in Assam as insufficient and should hesitate to leave their home districts." On the estate themselves, the coolie's standard of living has been lowered of late years. In the Bombay Presidency the wages of field labourers in the rural areas have increased in the following ratio:—

1900	1918	1922
2 as. 6 pies	4 as. 8 pies	7 as. 8 pies

But real wages have fallen slightly:

	Nominal Wages.				Real Wages.		
	1900	1914	1921	1922	1914	1921	1922
Field Labourers	100	180	270	290	154	138	145 <sup>1</sup>

The real wages were based on the prices of six principal food grains in the Bombay Presidency, year by year, between 1900 and 1922.

**Agrarian Serfdom in India.**—But on the lowest rung of the economic ladder in India stand those permanent agricultural labourers, who rarely receive cash and whose conditions vary from absolute to mitigated slavery. Such is the custom of the country in many parts of India that the *zamindar*, *malguzar* or ordinary cultivator nearly always contrives to get his servant into his debt, thus obtaining a hold over him which extends even to his posterity. Agrarian serfdom is most prevalent in those parts of India where the lower and depressed orders are most numerous.

*See Report on an Enquiry into Agricultural Wages in the Bombay Presidency, p. 28.*

Bombay, Madras, Malabar, Cochin, the Central Provinces, Berar, Central India and Chota-Nagpur show the largest aboriginal population, and it is in these areas that the status of the agricultural labourer verges most nearly on slavery. The ethnic composition of the village, which governs the social stratification, is thus responsible for the survival of slavish conditions.

In the Bombay Presidency there are the Dublas and Kolis, who to a greater or less extent are bond slaves. Most of their families have been serving for several generations practically as slaves to their masters' households. They received money in advance for their marriage expenses and orally bound themselves to serve till they paid off their debt. They are fed and clothed of course by their masters. The first agreement may be for a term of years, but this term usually leads up to another, and that to a third, till in the end all hope of redeeming the advance is gone. Annual farm-hands in Amraoti are paid Rs. 200 to Rs. 250 and in addition 4 *kuros* of *jowar* every month. In Berar such permanent farm-hands engaged by the year are called *shalkaris* or *baramasis*. Often they, too, have fallen into hereditary dependence on the *malguzar* or cultivator. They are paid 5 to 6 *kuros* per month (1 *kuro* equals approximately 20 lbs.), usually in *jowar*, and in addition Rs. 25 to Rs. 40 in cash and a blanket and a pair of shoes per year. In one district they are paid  $2\frac{1}{2}$  *kuros* per week either in rice or *jowar*, and in addition Rs. 60 per year and a pair of shoes and clothes. In a village in Berar I found that there are 100 *shalkaris* for 700 families of the village, who are paid annually Rs. 180 to 200. They work for a year and draw an advance of Rs. 20 before their engagement.

**Padialism, or Debt Slavery, in Madras.**—In the south-west of Madras there are the Izhavas, Cherumas, Puleyas and Holiyas, all virtually slaves. On the East Coast the Brahmans' hold on the land is strongest and a large

proportion of the agricultural labourers are Pariahs, who are often *padials*. The *padial* is a species of serf, who has fallen into hereditary dependence on a landowner through debt. In almost every case the original debt was a sum of money borrowed by a landless man to solemnize his marriage, or, more frequently, that of a son or daughter; the borrower undertaking to work for the lender until the debt should be repaid, in return for a certain limited supply of food. Quite recently a lad of eighteen borrowed Rs. 25 in cash and grain to celebrate his wedding with due festivity, and became a *padial*. Such a loan is never repaid, but descends from one generation to another, and the *padials* themselves are transferred with the creditor's land when he sells it or dies. If the *padial* transfers his services to another master, the amount of his debt will be refunded to the old master by the new. If he runs away, the owner loses both slave and money. His wages generally are paid in kind. The usual wage in kind is 30 Madras measures of paddy per month per head. At present prices 30 Madras measures of paddy are worth about Rs. 3-12-0. A Madras measure of paddy weighs  $2\frac{1}{2}$  lbs. but when husked loses about half its volume and one-third of its weight. The *padial's* paddy allowance therefore works out at about 27 oz. of raw rice per day; a quantity that the man probably is able and willing to eat himself without assistance from his wife and family. But sometimes he has to take less. Thus in one village his wage is 22 Madras measures of paddy per month, a daily meal of *rāgi* porridge, and annually two cloths and 18 measures of paddy or other such grain. In some villages he is granted in addition a small plot of land, say, a quarter of an acre, to cultivate for himself. The family of the *padial* must help the patron when required, when extra payment is made.

**Hired Labourers in Orissa.**—In Orissa hired agricultural labourers, called *muliyas* or *nitmajurs*, are of three kinds:—



## LAND PROBLEMS OF INDIA

(1) The *chakar* or *baramasiya* labourer, who is engaged for 12 months. He receives both board and lodging and is paid Rs. 24 in two instalments. Usually his ancestor has obtained a loan which descends from generation to generation and from which there is no escape. He is given in addition two cloths, two napkins and one *chaddar*.

(2) The *naga muliya* or *haria muliya*, who works under an agreement as a yearly servant like the former, but does not receive his board and lodging at his master's house. He receives a *gauni* of 4 seers of paddy and in addition is allowed a plot of land to cultivate free of rent, called *betabasi*.

(3) The *danda mauiliya*, who enters into a contract with his employer and engages himself for a short period at specified wages. All wealthy Brahman villages contain a large proportion of *naga muliyas*. In smaller and poorer villages the *danda* and *uparai muliyas* are more usual. The condition of these labourers is very unsatisfactory. Before the harvest, when stocks are low, they seldom receive the bare minimum of subsistence, although they are a little better off during the harvest season. In Cuttack the permanent agricultural labourers, called *halias*, are bound by deeds either registered or not to serve their masters, called *sahus*, on wages fixed in kind which vary between 2 to 3 seers of paddy per day. They are allowed to hold lands from the latter on the principle of service tenure in lieu of a part of the wages.<sup>1</sup> Similar classes of hired labourers are met with in Midnapur. The *danda muliya* here receives 5 annas per 15 *gandas* of sheaves reaped. He enters into an agreement, called *kuta*, to plough or harvest the fields. The *kuthia* is given 18 *gunts* of lands. From Chait to Bhadra he is given 15 *kathas* of paddy and from Ashwin to Falgun 6 *kathas*. He also is allowed one *chaddar* a year.

<sup>1</sup> Radhacharan Das: *Final Report on the Re-Settlement Operation of the Banki Government Estate, Cuttack, Orissa.*

**Kamia Debt Bondage in Bihar.**—The lowest depth of serfdom is touched by the *kamias* of Bihar, bond servants who, in return for a loan received, bind themselves to perform whatever menial services are required of them by their masters in lieu of the interest due on the loan. The *kamia* is gradually emerging from the state of serfdom to that of free labour, his wages or remuneration being fixed in various ways, *e.g.*, allotted land, giving grain, clothing and paying cash.<sup>1</sup> But the improvement in his status is very slow. In those districts in Bihar where there is a large aboriginal population, the landlords and high caste *ryots* do not care to do the actual cultivation themselves and it is there that the *kamia* system still flourishes. The depressed and "untouchable" castes have often no land or security, and when they want a loan the only thing they can pledge is their labour. They are usually thriftless and extravagant in drink and feast. Accordingly, when any Munda, Oraon or Chamar labourer wants to marry, he pledges his own labour, and sometimes that of his wife and descendants as well, until such time as the loan is repaid. The contract is drawn up on stamped paper and until recently sometimes registered.<sup>2</sup> Mr. Sifton, in his *Hazaribagh Settlement Report* describes the *kamiauti* (agricultural slavery) as follows: "In the first place the *kamia* cannot bargain about his wages; he must accept the wages that is customary for landlords to give to his class, which is  $2\frac{1}{2}$  seers (*kacha*) of unhusked paddy yielding about  $\frac{3}{4}$  seer of rice or its equivalent

<sup>1</sup> *Bihar Wage Census Report*, 1926.

<sup>2</sup> See Tanner: *Final Report on the Survey and Settlement Operations in Gaya*, Appendix XXIII, for specimens of *kamiauti* bonds. The contract in one of the bonds runs thus: "I and my descendants for ever bind ourselves to be ready to perform any work given to us, and to perform all the duties of a menial servant without objection." In this particular case the executor and his son served and died. His grandson also served for some time, but ran away a few years ago.

in some other grain; the wages are invariably paid in grain and not in cash, and represent only one-third of a day's wages for free labour paid, for example, by a contractor for road repair work. If the *kamia's* wife also works for his master she receives a slightly smaller remuneration; and their joint wages are not sufficient to feed properly themselves and the normal family of children which they are certain to possess. Secondly, the *kamia* never sees any money, unless it be the occasional few pice he may earn as a *palki* bearer in his spare time, which he naturally spends on drink. Consequently he has no chance of ever repaying the principal of his debt and becoming a free man again. A *kamiauti* bond therefore involves a life sentence. Thirdly, the condition becomes hereditary. Although the son is not responsible for his father's debt after his death, a new debt is always contracted on behalf of the son on the occasion of his marriage which renders him also a *kamia* for life. Fourthly, daily work is not guaranteed by the master, and no food is supplied on the days when there is no work to be done. The result of this is that the master takes the *kamia's* labour at a sweated wage for most of the year; but at a time when there is no agricultural work to be done and the *kamia* has least chance of getting any daily employment elsewhere, he is left to shift for himself as best he can. He is then free to get work wherever he can, but cannot leave his village for any length of time in search of it, for fear that he might abscond. Actually he is reduced to earning the most miserable subsistence by collecting fuel and grass for sale."

The restriction of his movements renders the *kamia* no better than a Negro slave. An absconding *kamia* is unable to find an asylum anywhere in any part of the area where the system is prevalent. The landlords as a class combine to maintain the system and return to his master any *kamia* taking shelter in their villages; and in the past the police have helped, unofficially, to track down and recover runaways.

On his return the *kamia* is bullied and ill-treated ; and, having no money at all, he is unable to appeal to the courts for redress and protection. The sale and purchase of *kamias* is by no means uncommon in the north-west of the district. The price is the amount of the *kamia*'s debt. It is understood probably that a higher price would be an offence under the laws concerning slavery, and the transaction therefore is represented formally as the taking over of the debt. To ensure that the money advanced to the *kamia* will never be repaid, some bonds have a condition that unless it is paid on a certain day, usually some time in Jyeth when funds are low, it is optional for the master to refuse acceptance. The bond also specifies penalties for running away or refusing to work, usually the addition of a certain amount to the total of the bond. Various customs in different districts in Bihar attach to the *kamia*'s action of running away. In some villages the first *ryot*, who seeing that he is a runaway, gives him a meal, has the right to him. In other cases he takes an advance from any one who will give it and execute a bond. If the former master finds out where he is, he can come and reclaim him on payment of any advance which the new master may have made. Sometimes the old master sells off the *kamia* on receipt of the advance given to the latter from a new master. The system to-day is very much alive in several districts in Bihar and in some is still extending. It was estimated that in the Palamau district the *kamia* population, including dependents, amounted to 60,000. The *kamias* were usually Bhuiyas, Chamars, Kahars or Dusadhs, and they were usually employed by petty landlords, whose service was naturally more exacting than that of masters in more affluent circumstances. Out of 3,000 cases of *kamias* examined it was found that some two-thirds had entered into their agreements in the last ten years, one quarter between 10 and 20, and one-tenth between 20 and 30 years previously. Out of another group of 368 cases

examined it was found that two-thirds were the sons of *kamias*. Legislation was introduced in 1920 with a view to abolish the *kamiauti* system. The Bihar and Orissa Kamiauti Agreements Act of 1920 declared that such agreements were void—

(1) unless the full terms of the agreement were expressed in a stamped document ;

(2) unless the *kamia* was given a copy of this document ;

(3) if the period of the agreement exceeded or could possibly exceed one year ;

(4) unless the *kamia's* liability was completely extinguished on the expiry of the term of the agreement ;

(5) unless the *kamia's* remuneration under the agreement was fair and equitable.

The Act has not proved effective in suppressing the abuse. The *kamias* are now called *harwais*, but the system still thrives under the old conditions in the rural areas amongst the unsophisticated aboriginal tribes and castes such as the Dusadhs, Bhuiyas, Karmalis, Mundas, Oraons and Chamars. A recent investigation personally undertaken in villages in the interior of the Hazaribagh district afforded conclusive proof that in spite of the declaration of the invalidity of *Kamiauti* bonds, a large number of serfs still work on the *zamindar's* estates on the basis of oral indentures entered into on the Paus Sankranti day. In a village of 100 families I found 20 families of *kamias* who were serfs and held no land. While the *kamia* earns 3 *poilas* ( $1\frac{1}{4}$  *seers*) of paddy, *marua* or *makai*, the ordinary labourers receive 5 *poilas*. In Gaya the *kamia* gets  $2\frac{1}{2}$  *seers* as wages and 1 *seer jalpan* whereas the ordinary labourer gets 3 *seers* and 1 *seer jalpan*. The difference in daily wages thus represents the interest paid by the *kamia* from day to day on the money advanced by the landlord. The *kamia's* wife is

not a slave but can earn independently. Her wages are usually one-third less than that of her husband's. Elsewhere I found the *kamia* receiving 120 *poilas* per month and two meals a day and a cash payment of Rs. 12 to Rs. 18 per year. The contract is here still entered for one or three years on the Magh Purnima day. He sometimes receives in addition small coins, such as two or four-anna pieces, during Dasehra or Kali Puja. Usually the money advanced varies from Rs. 10 to Rs. 30, without which the *kamia* cannot celebrate his marriage. As long as the debt remains unpaid the indenture continues. When the *kamia* wants to leave the *zamindar*, he must pay interest of half to one anna per rupee on the amount borrowed. The *kamia's* daily time-table is as follows : He begins his day at 3-30 A.M. when he is required to tend buffalo or cattle. He is usually given one pot of curd early in the morning and takes the cattle for grazing to the fields. Between 7 and 10 he has to cut firewood in the jungle and bring it home, or he has to clean the house or cattle-shed. At 10 o'clock he takes his meal and resumes his work at 11. From 11 A.M. to 6 P.M. he labours in the fields. Sometimes the *kamia* has a holding of his own which is, however, too small to support his family.

Bound hand and foot from generation to generation and restricted in their movements like the Negro slaves, also are the *harawahas* of some of the smaller states in Central India. A tour of investigation undertaken in Rewah, Maihar, Panna, Ajaigarh and other states brought to light a most unsatisfactory state of things. Among the Kols, Kotwars, Chamars, and other aboriginal agricultural labourers, hereditary bondage extends over several generations. The labourer contracts a debt for marriage of an amount varying from rupees twenty to rupees forty and as long as this debt remains unpaid, he and his children are bound to serve their master and are liable to be tracked down and recaptured through the police agency. I found that the

wages were usually paid in kind : one seer of wheat, gram or peas and two seers of unhusked paddy or kodo. Sometimes of course the *harawaha* receives cash wages : two annas daily along with perquisites such as a blanket, a pair of shoes and  $\frac{1}{10}$ th of the whole produce. Cases of mortgage and sale of husband and wife as bond slaves are frequent. Rs. 60 to Rs. 80 will buy a *harawaha* and his wife. Though the landlord takes the *harawaha's* labour at a sweated wage, he does not assure employment throughout the year. During summer when idleness is enforced, the *harawahas* can undertake work under other masters, but if they cannot find any employment, they are left to shift for themselves. In states after states I found the agrarian population organised in feudal demesnes rather than village communities, a small group of masters employing a large number of bond slaves. Agrestic serfdom co-exists with the preponderance of aboriginal population, and is sometimes associated with the general deterioration of the morale of the entire community.

Wherever the status of the farm-hand verges on slavery like that of the *padial* and the *puleya* in Madras, the *chakar* in Orissa, the *shalkari* in the Central Provinces, the *harawaha* in Central India or the *kamia* in Bihar, the system can be abolished by nothing short of special legislation making it penal to keep a bond slave and extinguishing all his debt. As a temporary measure, when such legislation is enforced it would be necessary for Government to open out new lands by reclamation and constitute them into small holdings for the discharged serfs, as well as to provide special facilities for emigration to labour districts. In this way the surplus serf labour would be drafted off, and its former employers be forced either to settle the agricultural labourers as tenants on their lands or to pay them a free labour wage. In the case of the extension of cultivation, the principle that the Government usually follows is to offer the tenancy of land hitherto uncultivated in the first

instance to the holder of adjoining cultivated land, and if he declines it to other land-holders so that the landless labourers have no chance unless all the land-holding peasants refuse it.

**Hours of Labour—Night Work.**—In Bengal the hours of work for field-labourers are from 6 A.M. to 1-30 P.M. and, again, from 3-30 P.M. to 6 P.M. In Madras field-labourers are sometimes required to work with two intervals from 4-30 A.M. to 6 P.M.; but the regular hours of labour are from 6 A.M. to 6 P.M. In the Bombay Presidency, men engaged for one year work from 7 A.M. to 6 P.M. Before the war they worked for 12 hours, while ten years ago they worked from 5 A.M. to 9 P.M. including outdoor work. In the Central Provinces the hours are from 4 A.M. to 11 A.M., followed by afternoon work for cattle. In the rains the regular hours are from 7 A.M. to 6 P.M. In most parts of India there is usually a recess of one or two hours at midday for food. Everywhere the hours are adjusted to summer and winter conditions. Sometimes the agricultural labourer is required to work 24 hours a day, including night watch. In Bengal he is paid Re. 1 per month for guarding the crops at night. A field-labourer in Salem district receives a maximum wage of Rs. 45 a year in advance, and has to work in the field or in the landlord's house the whole day and night. Where the *dadan* system prevails, labourers, including ploughmen, are pledged to work for their masters according to custom. But this makes the determination of standard rates for ploughmen's wages extremely difficult. Comparing the wages of ploughmen with those of ordinary unskilled labour in the same villages, it appears that generally speaking the wages of both are approximately the same, with the difference that the ploughmen get more extras and are more or less permanently employed.

**Decline of the Field-labourer.**—On the one hand, the development of industry and commerce has increased the



demand for labour in every province ; on the other, plague, influenza and malaria have reduced the supply. In the villages the more substantial cultivators, such as the *jotedars* of Bengal, the *patnidars* in Gujrat, the Lingayats of Bombay and the superior peasant proprietors of the Punjab, now take a less active part in field operations than before and employ farm-hands. On the other hand, in the case of the less substantial cultivators whose holdings are small, economic conditions discourage the employment of inefficient semi-slave or hired labour, while the rise of prices increases the cost of maintaining it on the land. Thus in many provinces there is an exodus of agricultural labour from the holdings of cultivating land-owners. In most parts of India there is very little culturable land left unoccupied. The best cultivators will not usually care for the inferior residue and, as each additional area is leased for cultivation, there being less and less demand for agriculturists, more and more of these landless labourers drift in to take it up. Others drift to the mines, factories or plantations in the country or go abroad. Long-period contracts by such dispersion are gradually superseded and the field-labourers, instead of serving the same master from generation to generation, prefer to work for daily wages or on the piece-work system. Sometimes they receive payment partly in kind. Dues of this sort are elastic, depending on local conditions and necessities. But the long-period service of the past, which is a kind of semi-slavery, still persists. It is found, as we have mentioned, even in the Bombay Presidency, in Khandesh and Gujrat, where the recent industrialisation has contributed more than in any other province to the emancipation of farm-hands.

**Agriculture in Transition—Plight of the Derelict Farm-hand.**—In some parts of India, however, agricultural labour is starving and agriculturists feel bitterly their want of field-labour and apprehend a fall in the value of

land in consequence of the lack of labour to work it. In the Madras Presidency it is usual to find *padials* bound hand and foot to the *mirasdars* for generations. At the same time the emigration to Burma, Ceylon or the Straits from the East Coast long has been a source of depletion of agricultural labour, and the most substantial cultivators complain that farm-hands now are more difficult to secure and work less efficiently, though they draw double the wages. Thus in the same province the agricultural labour conditions are found to be strikingly disparate in different areas and in different seasons. Conditions of rainfall and irrigation, ploughing and the rotation of crops, as well as the size of the holding of the cultivator's family, govern the demand and supply for rural labour. It is usually in the cultivating and harvesting seasons that the demand for and price of agricultural labour rises. The distinction in the *Census Report* between undefined and agricultural labourers is not therefore a hard and fast one, and periodical transfer takes place from one group to another.<sup>1</sup> The mills, shops and houses of the largest cities and the mines and plantations all draw upon the rural population. Where the available labour supply is largely at the disposal of the local mines and factories, the rates of agricultural wages are higher ; but, in places where the local landlords command the agricultural labour supply, labourers are more difficult to obtain for industrial purposes. The activities of recruiting agents, the lures they hold out and the deceptions they practise, also play a not inconsiderable part in promoting the rural exodus. There is no organisation on the part of the agricultural workers. There are no agricultural labour unions which might deal with the *sardars* or middlemen collectively, negotiate fair wages and equitable terms of contract, and guide the flow of labour to places where there

<sup>1</sup> *Census Report of Bihar and Orissa, 1921.*

is greater effective demand. The conservative habits of the population check the mobility of labour. Where there is no desire for a higher standard of living, the rural labourers are satisfied with the old conditions of employment. The cottage and hand industries in which such labourers engage themselves throughout the year also root them to their villages. This applies particularly to the women. Throughout India the women and children are employed as carriers. If they are working at any distance from their homes, or if they have no homes, they generally come with the male member of the family ; but often they come independently when they are working close to their homes and can return for the nights. Their wages are the lowest. In Bihar and also in Orissa the daily wage of a man varies from 4 to 8 annas, that of a woman from 2 to 6 annas and that of a child from 2 to 5 or 6 annas according to size and sex. Similarly, in the Madras Presidency, the wage of casual agricultural labour varies from 5 to 8 annas a day for a man and for a woman from 3 to 4 annas only. Mann estimated that the cost of living of a labourer's family, consisting of himself, his wife and two children, was Rs. 34·65 per month. His estimate was based on a study of villages in the Deccan in 1918. On this basis the wages shown above are absolutely inadequate. The more substantial labourers use their bullocks and carts to ply for hire from the village to the nearest cities during the off season, when they are not required for ordinary purposes. Carting on the roads, poultry-keeping, rope-making, basket-work, cocoon-rearing are also common by-occupations of the more substantial field-labourers, but the great majority of them are extremely poor and miserable.<sup>1</sup> They are clad in rags and live in wretched, insufficient cottages along with the livestock of the farm. I have

<sup>1</sup> *Madras Census Report*, 1921. *Vide also Harihar Dayal's Survey of Agricultural Labour in Unao in Fields and Farmers in Oudh.*

found men, women and children sharing the same thatched hut with buffaloes. A serf the farm-hand is, and in ninety-nine cases out of a hundred a serf he must remain. With him, the temptation of higher wages in another village, or the opportunity for a job in a neighbouring rice-mill, does not count. Plague, malaria and influenza work their havoc on the population and mostly on him and his class. The diminution of supply increases the demand for labour, but the condition of the unfortunate farm-hand is nowise bettered. Above all, the precariousness and uncertainty of Indian rainfall, with which economic conditions are so closely and intimately related, are writ large on his forehead, betokening the small comfort of a single meal, thin gruel and loin-cloth in a prosperous year and starvation and death in a year of scarcity. Such is the condition of the hired farm-hand in India, who is so often lost sight of—that toiling, unorganised, long-suffering, but all-important factor in the machinery of Indian rural life.

## CHAPTER XIII

### THE LANDLESS PEASANT

#### **Break-up of Feudal Land-holding in Europe.—**

Sociologists may find remarkable similarities in the present attempts in Eastern Europe to divide rural land amongst its land-hungry proletariat and the village communal ideal of the East. Throughout Western Europe the manor as an effective organization of agriculture had ceased to function long before the French Revolution. In France the landowners had sold land to the peasantry or let it to *metayer* tenants. In England also the landowners let out the large estates in farms of moderate size, and this system has lasted without much change down to the present day. In Eastern Europe, on the other hand, the manorial system continued until the early years of the nineteenth century and in some places into the second half of the century. While in Western and Southern Europe, excepting in the south of Italy and Sicily and south of Spain, most of the land was occupied by the landholding peasants, tenant-farmers or *metayers*, in Eastern Europe no such natural adjustment had been made. Thus, as Conacher observes :—

“The lords in their demesnes and the emancipated peasantry in their villages stood confronting one another ; and each side settled down to an attempt to get the pull over the other. The landowner tried to maintain his estate as a single unit of exploitation and this put him at the mercy of the peasant for labour. The Western devices of breaking up an estate into farms (which, incidentally, saves it from being alienated to a land-hungry peasantry), or of dealing with land on the *metayage* system, which involves

the most modest advance on feudal arrangements, seem to have been rarely resorted to in Eastern Europe, and if *metayage* was adopted the terms were unduly onerous for the tenant."<sup>1</sup>

**Post-War Land Reform.**—After the war the conscript armies demanded land, and most important agrarian statutes were passed in different countries involving the formation of new holdings for peasant proprietors, the break-up of the large estates, and, as in Russia, the rehabilitation of the distributionist ideal on the basis of an adjustment of individual and collective rights.

Russia gave up in some measure the communistic farm which she envisaged in the first period of the Revolution, and her new Agrarian Code showed a practical adaptation of the farming systems to the conditions actually existing in the villages. It laid stress on the importance of individual farm holdings but it allowed the peasants the use, not the ownership of land, as is the tradition in all village communities of the East. The expression 'landownership' is no longer admissible, and the peasant has the enjoyment of his plot for just so long as he cultivates it by his own efforts.

**Contrasted Movements in Europe and India.**—In different countries in Central and Eastern Europe a process of peasant encroachment on the private estates has been in progress and the hitherto landless labourers are being settled by wholesale assignments of land. In India, on the contrary, there is going on a silent process of expropriation of the peasant proprietor. Landlordism of superior and inferior grades, as we have seen, has tended to starve the peasant off the land and create a land-hungry peasantry. As population

<sup>1</sup> H. M. Conacher: "Agrarian Reform in Eastern Europe," *International Review of Agricultural Economics*, January-March, 1928.

has increased, the peasant has required more land and the landlord who has ready at hand abundant supplies of migratory agricultural labour for seasonal work has taken full advantage of the situation, by assigning to the peasant just enough land to retain him in the village, though on the basis of an irreducible subsistence holding. Even the disparity of status of the tenants in law has been utilized by him to extort various dues and services, which sometimes have tended to reduce the tenant to virtual wage-slavery.

**Co-operative Remedy for Agricultural Disorder.**—We have seen that the peasant in different parts of India is encountering contrasted conditions of the supply and demand of field-labour. On account of the scatteredness and fragmentation of land, cultivation cannot be rendered efficient and economical in many parts of the country by the employment of the present quota of hired labourers, who continually press upon the present subsistence holdings. On the other hand, in other parts, land cannot be efficiently cultivated on account of the scarcity of agricultural labour due to its absorption in factories, mines and plantations, or its withdrawal by emigration. In India as well as in Japan we already are witnessing the transition phenomena of a change from the régime of intense devotion of national energies to agriculture to a period in which the people, driven by misfortune from their passionate attachment to the soil, will seek more and more in a varied industrial life the requisite relief for the pressure of an increasing population on their means of subsistence. In the co-operative movement, however, there is hope that agriculturists will find the ready capital and organisation which, by increasing their net profits, will retain them on the land.

**Co-operative Land-holding in Italy and the Punjab.**—Both agricultural co-operation and the use of labour-saving appliances of scientific agriculture will be rendered inevitable in India in the coming decades, when the employer

of general labour will be able to offer to the increasing classes of landless labourers more attractive wages than can be afforded by the farms. A more direct aid which the agricultural co-operative movement can render to the landless labourer is in the direction of acquiring land by means of the co-operative land-holding society, which represents one of the most recent and most characteristic forms of co-operation in Italy. It is an association of agricultural labourers for the purpose of obtaining land which they themselves will cultivate. This is done in the majority of cases by means of a tenancy agreement (whence the name of *affittanze*, meaning collective, ordinarily given to these societies), but sometimes by means of a produce-sharing agreement (*mezzadria*, *terzeria*, etc.). According to the method of cultivating the land, the co-operative land-holding societies are classified as societies with divided management or societies with joint management. The societies with divided management confine themselves to taking large blocks of land from the land-owners, which afterwards they divide in small lots among their members. In the societies with joint management, on the other hand, the members cultivate the land in common, under joint management and technical direction. The societies with divided management are the more numerous, but in those with joint management the cultivation is more intensive and the technical methods are more advanced. In these latter the members take turns at the work. This is an interesting attempt to diminish unemployment, the available work being divided among the members, whose number is almost always greater than the land actually requires. The members of the societies with joint management are labourers; those of the societies with divided management are labourers, small landowners and *metayers*. The period of the tenancy varies from one to nine or even fifteen years, and the lands taken on a collective agreement



are the property either of the state or of other bodies or of private individuals. In Sicily and Upper Lombardy the societies owed their origin to a desire to eliminate the speculative middleman (*gabbellotto*, *fittabile*) whose intervention tended to increase rents and was often deplored ; in Emilia and in Romagna, on the other hand, they were formed with the object of finding an effective remedy against agricultural unemployment, a problem for which emigration no longer provided a solution.<sup>1</sup> In the Punjab recently five societies of this kind have been started in Montgomery, one of the colony districts. Each society has been given from 300 to 1,000 acres for distribution to its members ; and, so far as Government is concerned, the society is responsible for the observation of all obligations attaching to a colony grant. Towards its members it stands in the relation of landlord to tenant ; and the importance of this relation lies in the fact that whereas the best of landlords is obliged occasionally to think of himself, a good society will think only of its members.<sup>2</sup>

**Agricultural Unsettlement in Japan.**—If the economy of the small holding be not revolutionised in India, and the cultivators do not humble their false pride and break down the many prejudices which prevent them from turning to many remunerative forms of labour, land will pass more and more into the hands of the non-cultivating, rent-receiving and middlemen class, while an increasing class of field-labourers recruited from an inefficient and impoverished peasantry which works on meagre resources will cease to be supported by agriculture. An agricultural situation similar to this has arisen in Japan, where in spite of her most remarkable advances in scientific agriculture,

<sup>1</sup> G. Costanzo: "The Principal Types of Agricultural Co-operative Society in Italy," *International Review of Agricultural Economics*, January-March, 1928.

<sup>2</sup> Darling: *The Punjab Peasant*, p. 148.

the distribution of agricultural interests is fraught with grave social peril. Of the 5,500,000 households engaged in agriculture, 31 per cent. cultivate their own land only; the remainder, nearly 70 per cent., are dependent to some extent on rented land. Of this 70 per cent., 30 per cent. are pure tenants, owning no land at all. The remaining 40 per cent. combine tenantry with the cultivation of some land of their own. The number of owners who possess less than one and a quarter acres is just a little larger than the number of farmers who cultivate their own and some tenanted land. This suggests that a very large proportion own very little land. The actual farming population is being thrust an ever-increasing distance from ownership in the land it cultivates. Those families which own all the land they work are becoming not only fewer in proportion to the whole, but fewer absolutely. The last 10 years have seen a loss of 100,000 landowning families. Correspondingly there has been a marked increase in the proportionate and absolute number of those dependent entirely, and those dependent partially, upon rented land. Thus the entire increase in agricultural households is an increase in tenants or partial tenants. And, besides this, 100,000 who owned the land they cultivated have become tenants. Thus the condition of the majority of the farming population, represented by the tenants and smallest owners is miserable.<sup>1</sup>

**Anti-Alienation Legislation in Russia.** —The Russian Agrarian Code, 1922, sought to prevent the growth of intermediaries in the soil by subjecting the right of enjoyment of the land to cultivation on the part of the family, by removing land from the sphere of buying and selling, and

<sup>1</sup> Buchanan: 'The Rural Economy of Japan,' in *The Quarterly Journal of Economics*, Aug., 1928. About 98 per cent. of the agriculturists of Germany own the land they cultivate: in England only 11 per cent. of the occupiers are owners.

consequently forbidding all purchase, sale, gift or mortgage of land. The letting of land also is prohibited. Such measures are no doubt extreme and radical. But the principle that the land can be let on a cultivating lease only, *i.e.*, no one may rent under an agreement any larger quantity of land than he can cultivate by the labour of his own family, has been accepted in many countries. As we have seen, this is one of the chief features of the C. P. Tenancy Act in India.

**Regulation of Hired Agricultural Labour.**—An important step in the prevention of peasant proprietorship from degenerating into an inferior landlordism which can exploit the landless labourers would lie in the direction of prohibiting the employment of paid labour in the fields excepting under special conditions. According to the Russian Agrarian Code the employment of paid labour is permitted in cases where the farm cannot in view of its working capacity and equipment carry out the necessary work in proper time, and paid labour is only permitted on the clear understanding that the labour compact is strictly observed by the farm, *i.e.*, the condition that all the able-bodied members of the farming family work at the same rates as the day-labourers. Where there is little arable land, paid labour is definitely allowed on farms temporarily left without cultivators ; on other farms only for seasonal work, when there are not enough hands on the farm to complete the work as for instance, at harvest time, etc. On the other hand, where arable land is abundant, or when farms are being started in new districts in consequence of redistribution or migration, paid labour is allowed to the extent necessary for bringing the land quickly under cultivation and utilizing to its fullest extent the cultivable area.<sup>1</sup>

<sup>1</sup> M. Toherkinsky: "Agrarian Policy in Soviet Russia," *International Review of Agricultural Economics*, October-December, 1924.

**Surplus Labour Problem.**—Relief for surplus agricultural labour is found in emigration. And, indeed, annual migrations of agricultural labourers from district to district, or from province to province, have been long customary in India. Thus in the United Provinces, there is seasonal migration from the Terai to the rice-fields of the plains ; in Bengal towards the north-east. There is also the continuous exodus of unskilled labourers to the towns, mines and industrial centres, which offer an expanding field of domestic service and industrial employment. Further, there is an overseas migration of peasants, who find markets for their labour in the mines, plantations and industries of the lands of their settlement. The Indian emigration overseas has been subjected to a restrictive policy in recent years. In those regions where the number of day-labourers exceeds the demands of industrial employment on an adequate remuneration, the problem of an agricultural proletariat becomes acute. This has been the case to a certain extent in the Punjab, the United Provinces, Bihar and Bengal, which therefore resemble the non-industrial countries like Italy, Spain, Hungary and other parts of Central Europe, in which there is a surplus of agricultural labour which cannot find adequate employment. Great Britain and Germany, on the other hand, have developed an industrialised farming, and the amount of labour engaged in it is considerable ; while in France, in spite of the pulverisation of holdings which has given rise to the great and unsatisfied need for re-stripping, the mortality of the war has combined with the rural exodus to create a surplus of available land and a dearth of agricultural labour. The problem in Continental Europe already has been attacked by legislation, but this presents numerous difficulties.

**Improvement of Labour Conditions.**—Schemes of insurance against agricultural unemployment in Europe

do exist ; but only in a few countries of Northern Europe, not where they are most needed. Again, the statutory regulation of hours of labour would seem to depend purely on the question whether a capitalised system of agriculture has given rise to a class of land-workers who have succeeded in attaining some degree of organisation among themselves, as, for instance, in Germany, Spain, Czechoslovakia, and Northern Italy (here only in the rice-fields) ; but such regulation is often wholly lacking just where it seems most required. Or, yet again, protection by insurance against accident is apparently a benefit enjoyed most securely by those agricultural workers who happen to live in an industrialised country ; thus the advantages of the industrial system have been extended to such agricultural workers, while in a non-industrialised country they may have to go without them. In India the question whether or how hours of agricultural labour might be fixed has been raised. In Europe, in the northern countries where arable farming is associated with stock-raising and there is distribution of employment over the whole year for a permanent staff, it has been found practicable to limit hours of employment. So uniform a distribution of employment is unknown to Indian farming, where the hours of labour are unequally divided among different seasons, and where both in the sowing season and during the harvests labourers must work long hours on account of the nature of their work and the special difficulties of Indian agriculture. Yet there cannot be any doubt that the casual hired labourer is made to work for very long hours under most trying conditions and has no protective bodies such as the English Agricultural Labourers' Union and the Agricultural Section of the Workers' Union, which have met with striking success in securing better terms for hired labourers.

**Land Settlement in Post-War Europe.**—Another device which is common to most European countries for

the stabilising or improvement of agricultural labour conditions is land settlement. The end of the great estates came quickly, rudely and without system in Russia. With the outbreak of revolution the peasants simply seized the land, appropriated the local estates and divided among landless and land-holding peasants according to the will of the Soviet, or perhaps in certain cases according to the right of might. They did not wait for formal methods, for laws and decrees and officials from Moscow. The question of compensation to the owners was not raised. The Central Bolshevik Government at Moscow held the theory that the great estates should be made into communal farms, but the peasants did not at the outset fall in with that way of thinking.<sup>1</sup> A number of communal farms have met with remarkable success, and collective mechanised agriculture exists side by side with, and gives a flip to, peasant farming. Private rights in holdings have been strictly restricted, the *kulaks* have dwindled in numbers and the majority of the small holders now seem to have realised the benefits of collectivisation, and the use of farm machinery.

In Germany small holdings were created by the laws of 1890-91 and again by those of 1919. The land legislation of 1890-91, indeed, represents a landmark in the history of agrarian reform in Europe. It deprived the large estate owners of much of their freedom both as regards the transfer as well as indemnity. At the same time the banks provided small holders with agricultural capital for farm and building purposes under most favourable conditions and undertook the responsibility of repaying the estate owners with annuities spread over a long period. The small holders were not allowed to sell, sublet or subdivide holdings unrestrictedly. In order

<sup>1</sup> Durand: "Agriculture in Eastern Europe," *Quarterly Journal of Economics*, 1922, pp. 193-4.

to prevent partition the law of succession according to preferred heirs has been enforced on these new small holders. When the holdings are completely freed from rent-charges, the term *Rentengüter* will cease to be appropriate ; it will then only mean holdings created by State credit and State machinery, which remain under special restrictions for a particular public purpose. The law of 1919 has been characterised by Prof. Wygodzinsky as the Magna Charta of Land Settlement. It followed the principle of Max Sering, the spiritual foster-father of the land settlement in Germany, in breaking up large estates into small family holdings according to a rational plan. According to this law, the owners of great estates are bound to join land transfer associations which are entitled to purchase properties fit for colonisation at reasonable prices up to a third of the cultivated area of the estates. The land transfer associations have the authority to buy at a fair price or to expropriate lands which are not properly cultivated, or estates of unusually large size, and to give 5 per cent. of the land to local authorities for division among the agricultural labourers. Generally, much freedom is given for the development of the colonisation scheme, with the only restriction that all estates under 100 hectares may not be disturbed by expropriation.<sup>1</sup> In Denmark the day of landlordism, absentee or otherwise, is a thing of the past. The State for long has been assisting tenants to purchase small holdings through credit banks as well as by direct subsidies. On the approval of a local committee, the State has supplied nine-tenths of the cost of the land the tenants desire to purchase. The minimum area that may be acquired is 5 acres. Experience has shown the average size of the holdings acquired to be between 7 or 8 acres. Loans advanced by the State for such a purpose are made as easy as possible for the purchasers. During the war, the radical

<sup>1</sup> Wygodzinsky: *Agrarwesen und Agrarpolitik*, Vol. 1, pp. 109-11.

ministry passed a series of measures which have been characterised as the most radical laws yet enacted by any country for the promotion of farm-ownership. According to these laws no purchase money is required from the prospective owner. He is required to pay interest only on the value of the land, fixed by the law at  $4\frac{1}{2}$  per cent. Though he rents his farm from the State and the rental is periodically reappraised, he can devise the farm to his children. If he wishes to sell, the State has the first right to buy at the price of appraisal, the owner being fully compensated for his improvements. To secure land and provide money for this programme, legislation was enacted for dividing portions of the great estates as well as the land attached to the residences of the State clergy. Under the latter law it is expected that the State will come into possession of 100,000 acres of land, while 125,000 acres in addition will be taken from entailed estates owned for the most part by the old nobility.<sup>1</sup> The Act of 1919 allocated land which was public property for subdivision into small family holdings. When the land is thus sold no purchase price is paid, but a half-yearly tax is imposed on the property. During recent years about 4,600 independent holdings have been formed, partly under the former small holdings laws, partly under the Land Act of 1919, and 1,258 holdings have been supplied with land and buildings to the extent necessary for a family to make a living out of them.<sup>2</sup> Such petty land-holders are required to obey certain rules with regard to cultivation, mortgage, sale, etc. The inheritance must be single and undivided. Subletting is not permitted. The Act of 1925 lays down that the detachment of parcels of land from a property may as a rule take place only when the principal parcel which remains is large enough to support a

<sup>1</sup> Howe: *Denmark, its Co-operative Commonwealth*, p. 181.

<sup>2</sup> "The Conservation and Formation of Small Holdings in Denmark," *International Review of Agricultural Economics*, January-March, 1926.



family. The area which is considered sufficient to support a family is seven hectares or more if the land is of the best quality, or 14 hectares or more if it is of the poorest quality. The observance of the law is secured by the conditions that a parcel cannot be detached without the authorization of the Minister of Agriculture and that no legal transfer can take place before such authorization has been obtained.

**Land Settlement in Eastern Europe.**—In Hungary the Land Settlement Act states that the estate-owner may retain enough land to enable him to farm on a scale consistent with good agriculture. In Bulgaria he may keep only 75 acres of arable land, or 125 acres of forest and pasture land. In Roumania five million acres had been expropriated at the end of 1919. The area which cannot be touched is 100 hectares ; the maximum area that an owner can retain in the most favourable circumstances is 500 hectares. The large farms between 100 to 500 hectares cover only 8 per cent. of the country's territory, and they will be capitalised farms which will be models for the peasants. M. Ionescu-Sisesti gives the following figures of areas expropriated and distributed among the peasants :—

	Former Kingdom of Roumania.	Bessarabia.	Transyl- vania.	Bukovina.
Number of estates sub- jected to expropria- tion ... ..	4,757	4,258	3,336	750
Area of these estates in hectares ... ..	3,767,848	1,785,953	1,105,215	...
Areas expropriated ...	2,519,114	1,260,770	650,095	55,110
Area re-parcelled ...	1,204,352	914,029	9,421	2,376
Number of peasants receiving parcels in ownership ... ..	363,840	282,311	5,907	2,602

The peasants in their new position as owners have been able to replace their farm equipment, livestock and houses, which had been destroyed in the fighting area or in the occupied territories, much more rapidly than would have been possible for the large farmers. The position of the large farmers, who have submitted voluntarily to the sacrifices demanded by the reform is also in no way endangered. The compensation they receive enables them to introduce a more intensive cultivation on the 100 to 500 hectares of arable land which they have been allowed to retain. At the same time there is an increase in general prosperity.<sup>1</sup> In Poland a law providing in principle for the breaking up of the great estates was passed in 1919, and about 1½ million hectares are to be parcelled among the small peasants and the landless men. The maximum area of the peasant holding thus formed or enlarged is placed at 34 acres in Poland; at 21 in Hungary, where, however, there are also to be 4-acre labourers' settlements. In Prussia the family holdings granted by the Federal Government, the individual states and the communes are defined as a farm for the cultivation of which a family under normal conditions requires no permanent outside labour. In Yugo-Slavia the maximum legal area of property varies with districts from 50 to 500 hectares. The expropriation of the great landowners has been accomplished with compensation. In Czecho-Slovakia an owner may retain 150 hectares of agricultural land or 250 of land of any sort.<sup>2</sup> The Government is to confiscate and redistribute altogether 3,963,064 hectares, i.e., 28·2 per cent. of all the land belonging to the territory of the republic. In Russia eight million individuals migrated from the town into the country

<sup>1</sup> *International Review of Agricultural Economics*, No. 2, 1924.

<sup>2</sup> *Manchester Guardian*, *Commercial Supplement*, August, 1922, and Irvine, *The Making of Rural Europe*.

between 1917 and 1920. All these workmen, artisans, domestic servants, etc., demanded land expropriated from the landowners, and actually obtained it. The greater part of the land under cultivation by landowners, amounting to nearly 40,000,000 dessiatines (not including Siberia), passed into the hands of the peasant cultivators—a gigantic act of expropriation in which not only the landowners' farms but the peasants' farms disappeared as well. There have thus been sweeping agrarian changes in Central and Eastern Europe, all of which have expropriated large landowners and divided their estates among peasants and landless men. The maximum area which an individual continues to hold, without liability to sequestration, varies. Three principles are recognised: (1) that the expropriated owners have a right to compensation; (2) that the new small holders should pay by easy instalments at least part of the price of the land they acquire; and (3) that the new holdings are to be such as can be farmed by the owner and the members of his family.

**Peasant Condition in Europe and India.**—In Scotland, Acts have been passed protecting tenants who hold no more than 50 acres of land and pay a rent of no more than £50 a year, and empowering the Board of Agriculture to constitute new small holdings and to enlarge those in being, either in agreement with the landlord or in execution of a compulsory order of the Scottish Law Court.<sup>1</sup> In line with the Scottish reforms and those made in Continental Europe since 1917, Acts have been passed in Ireland which have made many rack-rented farmers into small owners, and, together with the active and efficient co-operative societies, into thriving owners. In the almost purely peasant countries like Scandinavia, Denmark, the Low Countries and Greece,

<sup>1</sup> The provisions of the Land Settlement (Scotland) Act, 1919, are summarised in the *Agricultural Tribunal of Investigation*, pp. 332-33.

there is no " Green Rising " because almost all the land already is held up by prosperous small farmers. There is an actual shortage of agricultural labour in Sweden, while in Denmark cultivation is so intensive that it absorbs the entire available supply of labour. It will take a long time to develop scientific agriculture to that extent in India, while the efficiency of village trade unions and success of collective bargaining, which have indirectly contributed to good farming and a high rate of agricultural production in Europe, cannot be expected in India within a few decades. Rural syndicalism has permeated the landworkers in Spain and Italy, while the success of agricultural co-operation has given rise to schemes which propose that the land of the country should be nationalised, and that the State should cede the usufruct of the land to land-workers' co-operative societies. This would mitigate the evil of bureaucratic control and management of land which is responsible for the partial failure of agrarian communism in Russia. A co-operative organisation, as the Co-operative and Collectivist Society in Italy which encourages peasant farming by giving expert direction of cultivation, buying and selling, has a greater future because it solves the problem of an inequitable distribution of land resources without minimising individual initiative. So long as there is no radical change in the rural economy of India through land adjustment, agricultural co-operation or scientific farming, the problem of the landless peasants will become more and more acute and there will be a tendency for this class to come in line with the industrial proletariat of the cities. That will portend social upheavals which will be fraught with grave danger to the agricultural civilisation of India. In Europe at present there are few countries without some State machinery for providing landless peasants with land. In peasant countries where the services of the hired labourer normally are wanted for special seasonal

work only, there is an almost universal tendency for this class to have a small holding on which they can fall back. In countries where large numbers of such labourers are employed by capitalist agriculturists, there are similar proposals to secure that the worker's total resources from land and labour should be such as to make it unnecessary for the whole family to take part in field-work and migrate from home for a season for that purpose. So far as possible, such seasonal work should be undertaken by adult males only, preferably those under the marrying age. Land-hunger is far more acute in India than in the West, and this passion is at the root of most of her rural unrest. Nothing will check the tide of agrarian discontent but a forward land policy comprising measures which will prevent the small holder from being overwhelmed by those circumstances that have been associated both in India and in Europe during the last few decades with a decline from peasant proprietary to peasant proletariat.

## CHAPTER XIV

### AGRICULTURAL INDEBTEDNESS AND LAND ALIENATION

**Agricultural Capital.**—In some of the agricultural countries of the West the development of agricultural costings in recent years has contributed towards a careful management of farms with accurate accounting. In India no farm-accounts are kept. Generally speaking, with the exception of rice, wheat, cotton, jute, maize and sugarcane, the cultivator does not measure his yield, and, when he does measure it, he does so very roughly. In many cases the holdings are made up of so many scattered fragments that the peasant would have no idea of the total area cultivated. Thus in one village the smallest unit of land measures .01 acre and the percentage of holdings that are cut up into 31 to 35 fragments is 28.5. Under such circumstances, it is almost impossible for the farmers to keep proper accounts of the costs of cultivation and yields of crops in their numerous and scattered plots. Again, the smaller the holding, the greater the amount of family labour spent per acre, thus further complicating the estimate of the cost of cultivation. The same difficulty is encountered in estimating the cost of maintenance of the bullock. The bullocks feed on straw and *kuro*, and during the hot weather are turned out into the fields to gather a precarious subsistence from the withered growth that remains. Again, there are different types of cattle which vary in their working-power, while their value lies not only in the bullock as a worker but also in the cow as a supplier of milk. The animal's dung is usually used as manure, or else as fuel, making another element of complication. The bullocks are not worked throughout the

year. During ploughing, and especially in times when a scant rainfall is distributed over a short period, the plough-cattle have to work very hard, while during the harvest season their duties are completely light. In months when agricultural work is dull, the cattle are used for the cart which does business in the nearest market. The practice among the cultivators in many parts of India is to purchase\* a new pair of cattle as soon as the old pair is worn out. Sometimes when the cultivator is in need of money and possesses a good pair, he sells this and out of the proceeds purchases a cheaper pair. More often the cultivator purchases his bullocks by obtaining a loan from the local money-lender, whose rates of interest vary from  $37\frac{1}{2}$  to 150 per cent. The absence of such credit facilities as have been made available for small holders in Europe, and the very limited development of co-operative credit, must be taken into account in determining the agricultural capital the Indian cultivator may be taken to possess.

**Plough-cattle declining in Number.**—How the crops will be distributed in area among the different plots is governed, subject to the agricultural seasons, mainly by the number of cattle the cultivator possesses and the intensity of cultivation. The latter depends entirely on the size of the cultivator's family, the most immediate and often most important source of agricultural labour. If other circumstances are favourable, the number of plough-cattle that the cultivator possesses determines the number of ploughs, which again governs the area of land he can cultivate. Four oxen formerly were the full complement necessary for the management of one plough, but that number now has come down to three and even to two in a great many instances, the consequence being that the cattle are overworked. 10 *bighas* ( $3\frac{1}{2}$  acres) of land are the utmost that the Bengal or the Punjab peasant can manage with one plough and a pair of oxen. In the United

Provinces it is safe to assume that a man who owns a pair of plough-bullocks cultivates an area of 4 or 5 acres, for few men complain that they have not enough land for their bullocks, the common complaint being that they have not enough bullocks for the land. In the Central Provinces a man with a pair of bullocks cultivates an area of 25 acres \* when he grows *jowar* or cotton, and 15 acres when he grows wheat. In some of the districts of Berar there is now one pair of bullocks for every 15 to 20 acres of land, and little scope for increase of cultivation, and the number of agricultural cattle has diminished by more than 10 per cent.

**Economic Importance of Cattle.**—The number of ploughs and plough-cattle measures the economic position of the cultivator. There are cultivators who own no bullocks at all, or possess only a single bullock; on the other hand, the more industrious and prosperous cultivators own two pairs of bullocks. There is no surer symptom of agricultural decline than the decrease in the number of livestock and ploughs in India. In a district in the United Provinces, which is one of the most densely-populated spots on the surface of the earth, the number of ploughs and plough-cattle has stood still and in some *parganas* has even decreased. The road running from Gorakhpur *via* Hata to Karia is a rough dividing-line between comparatively solvent and comparatively bankrupt cultivators. At one end of the scale is the *pargana* of Haveli, where cultivators (whether *zamindars* or tenants) who own two pairs of bullocks and upwards hold 55 per cent., men with a pair of bullocks apiece 37 per cent., and men with a single bullock 8 per cent. of the cultivated area; at the other end of the scale is Salempur Majhau, where the substantial cultivators hold only 31 per cent., ordinary cultivators 53 per cent. and poor cultivators or labourers with a fragment of land hold 16 per cent. of the cultivated area. But there



are *tappas* where the lowest class holds over 20 per cent. and even as much as 27 per cent. of the land.<sup>1</sup>

**Other Expenses of Agriculture; Burdens of Rent.—**

Various labourers and village functionaries receive a share of the crop of each holding, either for services rendered to the whole village or for personal services, and this has to come out of the profits. The general tendency is to give more than before, because without labourers agricultural operations are not easy. Thus the owner of a small holding can do his own reaping or winnowing, but he cannot repair his own implements or well-gear. From the profits of cultivation he must set aside each year that year's share of the original cost of the bullocks and agricultural implements, besides the interest which must be paid whether the crop affords it or not. In a country where agriculture for the most part is an effort to utilise the rain that falls between June and October, the risks are very great; hence a careful management of the holding ought to provide a grain reserve against successive unfavourable seasons. Therefore the cultivator whose holdings are small does not think of his crops in terms of profit and loss. A Settlement Officer remarks: "His first aim is to produce enough food to feed his family and his labourers during the year, and to provide seed for the next sowing-time. His second aim is to sow a sufficient area with money crops, which will pay the rent, buy his clothes and a few luxuries, and, if necessary, pay the *bania*. It might perhaps greatly improve his economic position if he would change his point of view, sow the crops which would yield the highest money value, and buy his food from where it could be grown more cheaply. However this may be, it is not his point of view. I have been told

<sup>1</sup> Knox: *Report on the Revision of Settlement on the Gorakhpur District, U. P.*, 1919.

scores of times by the villagers that they never sell anything except cane, or maize, or spices.' Very often the peasant has borrowed seeds from the local money-lender on *deorha* or *sawai* rates, or, again, has borrowed the money to purchase his oxen, to pay his rents or even to provide the very necessities of life from harvest to harvest. Where he is not protected legally the avarice of landowners, who exact rack-rents and will not wait, leads to his complete bankruptcy. In the United Provinces the non-occupancy tenant frequently pays a large sum on admission to a tenancy; he always pays a high rent and he seldom gets a receipt for it. The rent frequently is paid in advance, and very seldom is allowed to fall a single year in arrears; but suits for arrears of rent are generally for three years' rent, and they are successful. In addition to other exactions, he is compelled to give an unusual amount of free labour, which occasionally involves cultivating the whole of the *zamindar's* land before he can start work on his own. His position grows weaker every year, and there is a steady increase in the ranks of *zamindar's* labourers.<sup>1</sup>

**Rack-renting and Sub-letting.**—There is a normal difference of, from 20 to 25 per cent., between the non-occupancy and occupancy rents in the Basti district. Similarly, in the Gorakhpur district, the non-occupancy rates are about 25 per cent. above the occupancy rates. In the Bulandshahr district the average occupancy rent rate at the last settlement was Rs. 3·97 per acre, while the non-occupancy was Rs. 5·71; the former (through enhancements and new acquisitions at higher rents) has risen to Rs. 5·41, the latter (through competition) to Rs. 10·59. This exorbitant figure has been reached by gradual advances; thus, tenants of 20 years' standing, i.e., who completed their statutory period eight or more

<sup>1</sup> Clow: *Final Settlement Report of the Basti District, 1915-1919*.

years ago, pay Rs. 6·03, while tenants who acquired protection more recently (*i.e.*, of 12 years' standing) pay Rs. 7·67. Unprotected tenants now have to pay almost double the rents of 30 years ago. Sub-letting goes on apace in the cotton-growing tracts of Bombay, the Central Provinces and Berar, where sub-rents are sometimes 8 to 10 times the amount of the rents. But, even elsewhere, every agricultural rent being more or less speculative on account of the dependence of cultivation on the monsoon, which may fail, it is impossible to fix a line where legitimate speculation which is justified by success passes into gambling; and, in places where cotton is a minor crop, sub-rents are still four times rents. Systematic rack-renting by protected tenants has been more prevalent in Bengal, Bihar and the United Provinces.

In Bengal and Bihar *ryots* who have incurred a large debt let their land for a period of years, usually nine, and obtain an advance payment in cash by which they pay off the money-lender. This practice, which is quite well known, is called *khai khalashi*. But often cultivators who have surplus land and prefer ready cash sub-let in this way. Sub-letting, as we have seen, has been attacked by a clause in the Central Provinces Tenancy Act, 1920, which prohibits letting out beyond a year. The Oudh Rent Act also seeks to check sub-letting, while a proposed amendment of the Bengal Tenancy Act has the same object. There is no doubt that a potent cause of high rents is the avarice of proprietors, who take advantage of their security of tenure to exploit the peasants below the legal peasant-line. The situation is worse in the densely-populated tracts, where there are more tenants-at-will than legally protected peasants. Whether in the tracts where landlordism prevails or in the *ryotwari* areas where sub-letting has gone on, the presence of a large and increasing body of intermediaries between the cultivator and the State, having

various interests in land, implies a serious burden on the small farmer affecting not only his standard of living but also his volume of indebtedness.

**Mortgages and the Money-lender.**—Wherever sale or transfer is not difficult, the peasants come more easily under the yoke of the money-lender and the middlemen. Throughout the cotton-growing tract the position of the money-lender has become enormously strengthened in recent years at the expense of the actual cultivator. In the East Khandesh district the *taluk* figures show that roughly about 14,000 acres or ten per cent. of the land is held by agriculturists. Moreover, what is happening in Khandesh is that as cotton profits have risen money-lenders have reduced their money-lending business and begun to invest in land. The interest which they derive from leasing their lands has come to constitute the bulk of their income. Therefore, they are being classed as agriculturists even though they do not farm the land themselves or by their servants. The following table shows the distribution in Akola and the neighbouring *taluks* :—

	Akola.	Banganner.	Igatpur.	Suniar.
Agriculturists	91·68	86·88	85·96	91·0
Non-agriculturists	8·44	14·67	14·05	9·0

The area held by non-agriculturists shows a continuous increase in recent years. The following table refers to Akola *taluk* in the Ahmednagar district :—

	1912-13.	1913-14.	1914-15.
	Acres.	Acres.	Acres.
Area held by agriculturists	216,868	218,127	214,029
Area held by non-agriculturists.	18,854	19,010	19,808

The increase in the proportion of land held by non-agriculturists is due to the great rise in prices and the development of communications, which have tempted *saukars* and

others to invest in land who formerly contented themselves with lending money on mortgages. The distribution of land between agriculturists and non-agriculturists in the Sirur taluk of the Poona Collectorate shows the same tendency.

	Number of holdings	Percentage of total area held.
1. Agriculturists ...	10,100	78
2. Non-agriculturists whose principal source of income is money-lending.	920	15½
8. Other non-agriculturists ...	1,180	6½

In Bihar in the district of Champaran the figures of mortgages are as follows :—

	Areas mortgaged.	Amount advanced.	Rate per acre.		
	Acres.	Rs.	Rs.	A.	P.
Past settlement ...	25,285	1,079,712	42	12	7
Present settlement	104,552	8,375,054	80	0	0

Taking the complete figures for sales and so much of the mortgage figures as related to *ryots*, we find that in 10 years 121,978 acres or 8 per cent. of the area held by the *ryots* have been transferred.

The mortgages and sales are distributed as follows :—

	Mortgages.	Sales.
Landlords ...	8 p.c.	1·3 p.c.
Lawyers and those in service	2 „	1·5 „
Money-lenders ...	58 „	46·2 „
Ryots ...	32 „	51·0 „

In the 1898 figures 40 per cent. of all transfers were made to money-lenders. In the new statements 46 per cent. of the number of sales and 58 per cent. of the area mortgaged have gone to that class. Mr. J. A. Swinney states that this percentage was confirmed by the cases of

individual villages examined during the operations.<sup>1</sup> The following table shows the distribution of sale and mortgages for the district of Saran :—

	SALES.		MORTGAGES.	
	Past settlement.	Present settlement.	Past settlement.	Present settlement
Landlords ...	5·77	3·80	5·77	4·48
Lawyers ...	·92	1·70	·92	1·06
Money-lenders	9·35	22·95	9·35	29·96
Ryots ...	83·96	71·55	83·96	64·50

The Settlement Officer concludes that the number of transfers by sale show a phenomenal increase of 1466 per cent. Though the difference may be due to imperfect recording, the increase is serious. The number of transfers by sale or mortgage in favour of money-lenders has increased alarmingly.<sup>2</sup>

The following statistics compiled with regard to twelve typical villages on the Banki Government Estate, Cuttack, Orissa, show the extent of transfer of lands from the *bona-fide* cultivators to *mahajans*, etc., during the last thirty years :—

*Banki Land Transfers at Three Recent Settlements.*

	1888-89	1905-08	1919-20
<i>Bona-fide</i> cultivator ...	80 per cent.	68 per cent.	63 per cent.
Non- <i>bona-fide</i> cultivator	20 per cent.	32 per cent.	37 per cent.

During the last 30 years *mahajans* have added by purchase nearly 85 per cent. to their acreage. In some villages the figure reaches 400 per cent. It is for consideration whether free and unrestricted transfer has not gone too far and whether legislation more stringent and more definite

<sup>1</sup> Swinney: *Final Report on the Survey and Settlement Operations in the District of Champaran, 1913-1919.*

<sup>2</sup> Phanindranath Gupta: *Final Report of the Survey and Settlement Operations in the District of Saran.*

than section 31 of the Orissa Tenancy Act is not necessary.<sup>1</sup> Similarly, in the Bulandshahr district in the United Provinces, the money-lending classes have gained much in proprietary ownership, as the following table will show :—

Serial No.	Caste.	Area held at last settlement (acres).	Area held at present settlement (acres).	Area gained since last settlement (acres).	Percentage of the total area now held by each caste.
1. Jat		155,918	197,622	41,704	16·21
2. (a) Rajput Mussalman		179,888	180,108	720	14·77
3. (b) Rajput Hindu		162,871	165,218	2,347	13·55
4. Brahman		75,994	81,852	5,858	6·67
1. Vaishya		114,596	126,894	11,798	10·37
2. Khattri		...	6,882	6,882	5·2

More recent settlement operations in different districts in the United Provinces have shown that the Vaishes have been steadily ousting the Thakurs and Jats decade by decade. In Budaun district, for instance, the Vaishes have enormously strengthened their hold on the soil, ousting the agricultural castes in alarming proportions during the last thirty years. In Agra district in one tahsil the Vaishes have gained by 66 per cent. while the Jats have lost about 40 per cent. of their property, while in another the Vaishes have gained by 300 per cent. at the cost chiefly of the Thakurs and Jats during the period that separates the present settlement from the last. A recent survey of caste and credit in one of the United Provinces districts by S. S. Nehru shows the general tendency of the superior agricultural castes being supplanted by the Chamars, Muraos, Kurmis, etc., and of these being driven to the wall by the non-agricultural money-lending castes, leading to the creation of a landless proletariat. Such changes in land distribution

<sup>1</sup> Radhacharan Das: *Final Report of the Re-Settlement Operation of the Banki Government Estate, Cuttack, Orissa.*

as are now discernible in the countryside accompany a new social gradation, upset the old social scheme and sow the seeds of agrarian disturbance.<sup>1</sup> These also exercise a most detrimental influence on agricultural progress. For the money-lending castes do not exhibit the hereditary skill and industry of the agricultural castes and when they do not cultivate show a spendthrift land management, sub-letting their land at rates which leave the cultivator with a reduced incentive to raise a good crop.<sup>2</sup> "It is reported," we also read in the Report of the Indian Central Banking Enquiry Committee, "that this is confirmed by wide-spread crop-cutting experiments in Bihar, Orissa and Bombay. It is also added that as a result of this inefficiency the ryot is unable to get enough money to put in cultivation to yield first class crops and that he thus moves in a vicious circle."

Throughout India the money-lending classes are gaining in proprietary ownership. The proportion of *quasi*-cultivators is higher among the money-lenders than among any other non-agricultural class, excepting perhaps the village servants and functionaries.

*Percentage of Land-holders amongst Total Non-agricultural Population and amongst Money-lenders (1891).*

	Total non-agricultural population.	Money-lende
Bombay ...	9·24	81·22
Madras ...	6·54	17·77
Central Provinces	5·56	86·74
Berar ...	2·54	28·21
Assam ...	38·02	67·75
N. W. P. ...	18·28	46·67
Punjab ...	7·96	18·87

<sup>1</sup> See my Introduction in S. S. Nehru's *Caste and Credit in the United Provinces*.

<sup>2</sup> See my note at the end of the *Report of the Provincial Banking Enquiry Committee, United Provinces*.



**Money-lenders and Methods of Mortgage.**—Having gained land, the money-lenders treat it and the tenants merely as a money investment. If arrears accumulate, this is no pecuniary disadvantage, because more bonds can be written, high interest can be taken (and is the first charge on the harvest); and the tenantry is bound, hand and foot, to the financier-proprietor. The statistics of sales and mortgages of land indicate also the risks and losses of cultivation. In one district in the United Provinces nearly 100,000 acres have been sold under court's order in 28 years and about 300,000 by private negotiation, and the alienations have occurred chiefly among the small proprietors. Mortgages are also numerous, amounting in a particular district to as many as 45,245. In Jessore, a district in Bengal, mortgages have increased enormously within the last thirty years, from 6 lakhs of a total value of Rs. 7 lakhs in 1890 to 12 lakhs of an aggregate value of Rs. 18 lakhs in 1920. Similarly, sales of land have increased by nearly 40 per cent. In the matter of perpetual leases also the number has become six times what it was thirty years ago, although the aggregate value has only doubled. In Jessore 15 per cent. of the total agricultural area changes hands every 10 years; in Midnapur 6·6 per cent., and in the Patildaha *pargana* of the Mymensingh district 25 per cent.<sup>1</sup>

Several forms of agricultural mortgages are met with. In ordinary forms of mortgage the borrower does not relinquish his land. The rate of interest charged usually varies from 12 to 24 per cent. Paddy loans for consumption or seed loans usually earn half as much amounts as interest (*dheri*). Sometimes, however, even in the case of most fertile lands the plot is transferred to the creditor who undertakes the cultivation and enjoys the crop until the loan is

<sup>1</sup> Momen: *Final Report on the Survey and Settlement Operation in Jessore.*

repaid. Usually one *bigha* will be offered as security for a loan of Rs. 50. The rent has to be paid by the borrower. This form of mortgage is known as *sud khalasi*. Another form of mortgage is characterised by a period of *miyad*, or contract, within which the loan is to be repaid. If the debt remains outstanding the creditor acquires the right of ownership. The following comparison of the different kinds of mortgage found in a particular village will be found interesting. The money lent in each case is Rs. 100.

Area of land held as security.	Condition.	Period of mortgage.
One <i>bigha</i>	The land is taken possession of by the creditor who acquires ownership after the lapse of a stated period.	5 years
Two <i>bighas</i>	The holding in this case does not pass into the hands of the creditor after the stated period, though the latter takes temporary possession of it for cultivation.	5 years
1½ <i>bighas</i>	The borrower cultivates the land himself.	12 years

In some parts of rural Bengal the *bania* or *Marwari* invasion has been an economic menace. In districts like Birbhum, Mursidabad or Burdwan a large portion of the land has fallen into the hands of this foreign money-lending class. At first food, salt, oil, cloth or manure are advanced month by month by the *bania*, who starts a grocer's shop in a village. While the local rate of interest seldom exceeds 18 per cent., his rate is 75 per cent. A bond is next demanded, and finally the borrower's holding is fast in the relentless grip of the *bania*. The *bania* seldom cultivates by means of hired labour. When a land is acquired the old occupancy *ryot* becomes the *bhagkar* or under-tenant, who is forced to pay a produce-rent

## LAND PROBLEMS OF INDIA

irrespectively of the yield. Redemptions are few; and, while the money-lending classes seldom lose a favourable opportunity of acquiring land, vanity, indolence and litigiousness are becoming more common than ever before amongst the cultivators. In the Punjab, where the peasant is usually regarded as much more prosperous than in any other province in India, the statistics of transfers and mortgages show that the situation is not so favourable as is generally supposed. The normal size of a proprietary holding in the Punjab is 15 acres, as has been recently ascertained by a special enquiry made by the Registrar of Co-operative Societies. It is at least five times as large as the average holding in other parts of India. The great bulk of land transactions in the Punjab consist, however, of transfers of less than  $2\frac{1}{2}$  acres of cultivated land, which indicates that the economic holding is being broken up into small parcels, far below the size of a profitable unit, due to sale and mortgage. The total average debt of the large holders is seven times the land revenue paid by them, and of the small holders owning or cultivating less than 8 acres, 28 times the land revenue: the aggregate debt in the Punjab amounting to about 30 millions sterling. The high mortgage figure may indicate in some portions the alertness and business capacity of the farmers; but in many districts, where the middlemen and the money-lenders are ubiquitous, it indicates the exhaustion of the peasantry.

The figures are as follows :—

	1928 (acres).	1922 (acres).
Permanent transfer for value with possession of privately owned land (cultivated and waste).	223,601	263,282
Total area mortgaged (including transfers for debt by order of court).	336,186	340,043
Area redeemed	314,387	377,919
Value of area mortgaged	... Rs. 578·4 lakhs	Rs. 592·2 lakhs
Mortgage debt discharged	... Rs. 286·8   ,,	Rs. 370·1   ,,

Darling's enquiries suggest that debt is more widespread in the Punjab than elsewhere.<sup>1</sup> He estimates that the total debt of the proprietors of the Punjab is about 75 crores, which is  $15\frac{1}{2}$  times the land revenue. The average proprietor's debt is equal to about 3 years of his net income.<sup>2</sup> According to the Punjab Banking Enquiry Committee, the total debt has increased from Rs. 90 crores in 1921 to Rs. 135 crores in 1929. The crushing character of the burden will be realised when we take into consideration the fact that the price of crops has fallen about 50 per cent. since 1921. One pice in the rupee is the most common rate of interest. When the cultivator finds it difficult to repay, he gives the money-lender cattle in payment of his money. Even the large landowners are in debt. On account of the Punjab Land Alienation Act, the Hindus in many districts cannot buy land though they can take it on usufructuary mortgage for 20 years; while the Muhammadans have no money. What the money-lender often does, however, is to ask a cultivator to take a mortgage and pay the real borrower in a roundabout way. He evades the law by mortgaging the land to a fictitious person. The law also has brought into existence a new class of agriculturist money-lenders, who are owners of land, and against whom its provisions do not operate. Among returned emigrants, soldiers or larger *zamindars*, who are not Muhammadans, the agriculturist money-lender will be found. He usually lends up to the value of the land, not of the produce, and being in a more advantageous position than the *sahukar*, he presses his borrower till he is compelled to sell. Indeed, the agriculturist money-lender is often considered as harsher and more relentless than the *sahukar*, and thus the object of the Act is frustrated. It is also

<sup>1</sup> *Proceedings of the Indian Economic Association, Lahore Conference.*

<sup>2</sup> Darling: *The Punjab Peasant*, p. 10.

common for landlords in many parts of India to finance their tenants. Where the landlords advance the expenses of cultivation or seeds they are lenient in treatment. They become dangerous creditors when they advance cash and have an ulterior motive because they have a double hold over the tenant borrowers.

### Agricultural Indebtedness in a Typical Village.—

An investigation recently undertaken into the condition of agricultural indebtedness by Satya Prakash, of Lucknow University, has brought out several interesting results. The enquiry was carried on in Rajwari *pargana* and Tilhar *tahsil* in the District of Shahjahanpur, Oudh. There are 161 families in the village, 55 of which are heavily involved in debt. The total indebtedness is Rs. 6,500, and the average debt per individual amounts to Rs. 9 approximately. The village contains good soil, and the cultivation is also good and permanent. The decrease in occupancy area of the village during the last 30 years has been continuous :

Year.	Acres.
1897	574
1907	567
1925	447

These figures show a decrease of nearly 22 per cent. The following table gives a classification of occupancy and non-occupancy areas, with the respective rents :—

Year.	Area under occu- pancy tenant.	AREA UNDER NON-OC- CUPANCY TENANTS.		Total non-occupancy tenants.	RENT PER ACRE.			Average rent per acre.
		Non-occupancy below 12 years.	Above 12 years.		Of occupancy area.	Of non-occupancy area.	Of sub-tenant.	
1897	574			385	Rs. A. P.	Rs. A. P.	Rs. A.	Rs. A. P.
1903	571	91	61	138	5 0 0	5 12 7	5 0	5 5 0
1907	567	214	202	423—(1905)	—	—	6 3	5 6 8
1912	535	174	252	433	5 6 0	6 10 0	5 4	5 14 6
1917	504	118	329	447	5 9 0	7 0 0	7 8	6 3 5
1925	447	206	284	490	5 4 0	7 0 0	—	6 0 0
					5 9 4	7 0 0	8 3	6 5 0

It will be evident that the proportionate increase in the number of unprotected tenants and the diminution in that of occupancy areas is a sign of the deterioration of the peasantry. The *nazaranas* usually paid to the landlord equal the rent rates paid, varying from Re. 1 to Rs. 2 per *bigha*. Cases of concealment of rent, absence of *patta* grants, withholding of receipt and exaction are frequent. In fact the *karinda* is a terror to the villagers, and to keep them ignorant he has stifled the village school and thwarted an attempt made recently to start a co-operative credit society in the village.

The following represents a classification of the total number of families in the village according to solvency :

*Yearly Average Income.*

Rs. 150 or more.	Rs. 100.	Rs. 75.	Rs. 50.
A.	B.	C.	D.
18	26	81	41

The investigation has shown also that 25 per cent. of the total number of families in the village have two meals a day, that 50 per cent. have only one meal assured to them, and that another 25 can hardly get a single square meal. Yet the population has increased considerably :

	1899.	1901.	1921.
Total Population ...	539	851	791
ultivators ...	408	762	675
Labourers ...	104	81	48

The usual rates of interest are Re. 1-8 as. per month on Rs. 100 or 18 per cent. per annum or, again, Rs. 2 or Rs. 3-2 as., i.e., 24 or 37½ per cent. per annum. Loans on trifling sums are on an interest of one pice from *bazar* to *bazar*. Agricultural loans are converted into cash when the grain is borrowed, usually in Kartik when the price is highest and reconverted into kind on repayment in Jeth, when prices are easy after the *rabi* harvest. The

*zamindar's karinda* stands in the way of the money-lender's realisations of his dues. He tries his best to sever the connection between the peasant and the money-lender. For example, in times of a bad harvest, when the peasant is unable to pay rent and to find a creditor, he succeeds in converting a holding from occupancy into non-occupancy. With a non-occupancy tenant he gets more *nazarana*, and that frequently. Debt follows credit, the poorer classes of cultivators being free from debt; since their extreme poverty in most cases denies them the credit for even petty seed-loans. On the other hand, the well-to-do families of the village, owning 15 to 50 acres of land, are heavily involved.

**Statistics of Agricultural Indebtedness.**—The following figures would show the state of indebtedness in different parts of India as judged by intensive enquiries in different villages :—

Year.	Locality.		Free of debt.
1888	Agra District Tenantry	...	22 per cent.
1894	Nagpur (18,000 tenants)	...	40 „ „
1901	Baroda State	... Nearly 40	„ „ of all landowners.
1907	Faridpur (Bengal)	...	55 per cent.
1918	Chhindwara (Central Provinces)		28 „ „ of all resident tenants.
1919	Mysore State (24,850 Co-operators)	...	37 per cent.
1923	Punjab	...	17 „ „
1925	Murshidabad (Bengal)	...	12½ „ „
1926	Jessore (Bengal)	...	20 „ „

In an investigation recently undertaken by me in a village in Berar, I found that only 28 out of 750 families of the whole village, including families of artisans, tradesmen, etc., were free from debt; 25 at other families had borrowed for the purchase of lands. During the last 30 years 100 families had been reduced to the landless labouring class, their lands having been sold to the money-lenders.

In another village of 40 peasant families in Murshidabad I found only five families solvent and well-to-do; they owned holdings of the economic size (3 acres). The holdings, however, were scattered in fragments at distances of 1 to 2 miles. The rent had increased from 7 annas to 17 annas during the last 20 years. Six families earned their living by day labour on lands at one time owned by them but which had to be relinquished to usurers. The rest earned a precarious livelihood either on their own lands or as hired farmers on a half-and-half share basis. This included half the price of seeds and half the ploughing expenses, usually reckoned per diem. In the district of Dacca, Bengal, it was estimated that families occupying 185,869 out of 391,894 homestead plots were involved in debt, and that the total indebtedness amounted to Rs. 4½ lakhs, i.e., to nearly half the value of the annual produce of the soil, to rather more than 12 times the actual annual rental of the land, or to Rs. 36 per cultivated acre.<sup>1</sup>

The average indebtedness in different parts of India may be compared as follows :—

	Ra.
(1) 1896, 9 villages in Sialkot, Gujranwala and Shahpur (Thorburns's enquiry)	562 per indebted owner.
(2) 1918, 43,733 proprietors (a) ...	468
(Darling's enquiry) (b) ...	385 per owner.
(3) 1875, 12 villages in Ahmednagar ...	371 per occupant.
(4) 1907, Fairedpur district ...	121 per indebted cultivator.
(5) 1913, Baroda State ...	450 per indebted holding.
(6) 1917, Pimpal Sandagar Village (Deccan)	225 per indebted family.
(7) 1918, Ajmer-Merwara (10,779 Co-operators). ... ..	379 per co-operator
(8) Chindwara ... ..	112 for ordinary tenants.
(9) 1919, Bengal (4,000 Co-operators) ...	120 per co-operator.
(10) 1919, Mysore (24,550 Co-operators) ...	273 per indebted co-operator.

<sup>1</sup> Panandikar: *Wealth and Welfare of the Bengal Delta*, p. 180.



The following rough estimates of rural indebtedness have been made by the Provincial Banking Enquiry Committees (1929-1930) :

Province.	Total rural Indebtedness.	Percentage free from debt.	Rate of interest.
	Rs.		
United Provinces	124 crores	33 to 61	18 to 37½ per cent.
Bihar and Orissa	155 „	19 to 61	18½ to 37½ „
Bengal	100 „	.....	18 to 37½ „
The Punjab	135 „	.....	6 to 12½ „
Central Provinces	36 „	13 to 72	12 to 37½ „
Madras	150 „	.....	12 to 48 „
Bombay	81 „	.....	12 to 25 „

According to the Central Committee, a total of about Rs. 900 crores may be taken as a very rough estimate of the total rural indebtedness of India.

**Considerations about Debt.**—With increasing fractionalisation of holdings, with the multiplication of intermediaries and rent-receivers, with increase of rent and land revenue, with the cumulatively growing burden of mortgage debt and with the fall in the price of agricultural produce there is no doubt that the total amount of debt has increased decade by decade. The increasing dependence of the population upon agriculture (since 1891 the percentage of population following agricultural and pastoral occupations has increased from 61 to 72 per cent.), the decline of cottage and village industries and the lack of facilities of emigration have also contributed to the increase of indebtedness. Whether the proportion the rural debt of a province bears to the growing assets of the agricultural population has remained at the same level or whether it is a heavier or a lighter burden on the more prosperous cultivator than of old is

difficult to ascertain. No doubt this differs from agricultural region to region. In agricultural tracts where valuable money-crops are grown the volume of indebtedness which has increased along with land values is an index of the prosperity of the peasantry. But often with the growth of transferable rights in land, it is not the cultivator but the money-lender who reaps the benefits of irrigation, railways and the cultivation of commercial crops. Where land passes from the agricultural to the non-agricultural money-lending classes with little capacity and desire for small farming, there is loss of agricultural efficiency. The cultivator finds himself a mere tenant-at-will in his own holding leasing it from the money-lender at a rate which leaves him with a reduced incentive to raise a good harvest.<sup>1</sup> Further as his status is also reduced from a proprietor and tenant to a tenant-at-will, he can command less credit than before. Along with the diminishing desire to improve the land by putting in all his and his family's labour, there is also a reduction of his borrowing capacity. Such a situation, even if true for small areas, is full of economic risks ; for the country as a whole, with its million mouths to feed, is interested in larger agricultural production. Where, through the process of transfer, the cultivator's legal status is lowered and his rights in respect of the land become no longer credit-worthy, the prospect of the improvement of land or even of its intensive cultivation diminishes. Unrestricted transfer means in India that the money-lender, who occupies a semi-monopolistic position and whose capital is small, closes his door against the tenants-at-will or cultivators whose rights have no value for sale. As long ago as 1879, the Indian Famine Commission reported : " It is commonly observed, that landholders are more indebted than tenants with occupancy rights, and tenants with rights than tenants-at-will."

<sup>1</sup> *Vide my note at the end of the Provincial Banking Enquiry Committee's Report, U. P.*

The results of Darling's enquiry illustrate the same truth :

	Occupancy Tenants.	Small Proprietors.
Free of debt ...	20 p.c.	17 p.c.
Average debt per indebted tenant ... ..	Rs. 290	Rs. 310
Percentage of mortgage debt to total debt ...	„ 25	„ 40

The large proprietor borrows more than the small and the proprietor more than the tenant. The tenant-at-will and farm-servant can borrow little.

	Average Debt
Large proprietors ... ..	570
Small proprietors ... ..	310
Occupancy <i>ryots</i> ... ..	290
Tenants-at-will ... ..	185

A large number of debt-free peasants are those who are unable to find any one to lend them money. They are free not because they are well-to-do, but because they have no credit. Major Jack found in Faridpur that nearly half the debt had been incurred by cultivators in comfortable circumstances, and that 48 per cent. of the poorest class had no debt at all. Not a small proportion of cultivators in every part of India on account of the uneconomical size of their holdings and the nature of their security cannot receive accommodation from the money-lender even though tempting rates of interest are offered him. But the average small farmer can and does borrow although his debt tends to be bigger. His balance-sheet may show some economic surplus, but the old and cumulatively increasing mortgage debt takes away a large portion, leaving him barely a minimum of family subsistence or driving him to sell his land to the money-lender, who is literally at once his protector and his destroyer. The

monsoon may fail, the rainfall may be greater than normal, the floods may destroy the crops, or, again, the cattle may die; and then the small holder, who lives on or about the margin of subsistence, has no alternative but to fall into the ready hands of the money-lender.

**Investigation of the Economics of Small Farming.**—

The great bulk of the holdings in the country are so small and the margin of solvency so narrow that any misfortune or indiscretion may plunge the cultivator into a slough of debt from which he can never extricate himself. More than anything else the smallness of the holding is the potent cause of rural indebtedness. The average holding in many districts in the United Provinces, Bengal, Bihar, Orissa and Madras is actually below the economic unit. Elaborate enquiries show that the majority of the holdings of proprietors and tenants in these provinces are definitely uneconomic. No peasant can own and work an uneconomic holding except at a loss and by borrowing in ordinary years. A series of lean years, the recurring losses of cattle from drought and epidemic, expenditure upon marriage and other domestic ceremonies or mere carelessness, may increase his debt; whereas in the best years the realized surplus of produce is so small that the interest is paid with difficulty, whilst from the principal there is no escape. This applies especially to the areas of precarious and uncertain rainfall, as, for instance, large tracts in the Deccan, Bombay and the United Provinces, or areas where the agricultural community has to depend on a single crop as Orissa and Chota Nagpur, or where the majority of holdings are under-sized and uneconomical as in certain areas in Bengal, Bihar and Madras. But even in other tracts the overcrowding of agriculture is so heavy, the competition for land so keen and the rate of interest is so high that the cultivator is reduced in a short time to desperate straits. A rate of 150 per cent. is not rare, but usually the rates vary from 25 per cent. to 100 per cent. per annum. One of the

chief causes of the high rate is the frequent non-payment of interest. An unproductive debt always tends to increase, and, when the unpaid interest is added to the principal every year, the debt mounts up with terrible rapidity. Add to this the system of one-sided account-keeping which is in vogue, and we shall understand the utter helplessness of the cultivator. The money-lender is frequently the only man in the village who can read and write and keep accounts. He gives or withholds receipts, marks or erases entries in his account book, at his own unchecked will; the illiterate cultivator can bring no proofs against the account-book of the money-lender. Moreover, it is the money-lender and not the cultivator who knows the law and can exploit its processes. Thus, in spite of the Usurious Loans Acts and the best wishes of the Sub-judges and Munsiffs, the law helps the money-lender rather than the cultivator. Careful intensive enquiries in different regions should be undertaken with a view to ascertain whether a cultivator in an average-sized holding can repay old debts at prevailing rates of interest, after making provision for the maintenance of an average-sized family, for the up-keep of cattle, for land revenue, and for the depreciation of agricultural capital and bullocks; or whether the interest now being charged cannot be paid at all, or if paid, whether it is done by trenching on reserves, by avoiding provision for depreciation, by neglecting necessary repairs, by reducing expenses of cultivation, or in some other way out of capital. One such investigation was undertaken by Mann in Khandesh and Sholapur, and his conclusion was that agriculture under present conditions was an unprofitable occupation in the less favoured part of the Deccan, though in Khandesh it could be carried on profitably with thrift and under normal conditions of rainfall.<sup>1</sup>

<sup>1</sup> Mann: "Interest payable by Deccan Cultivators," *Bombay Co-operative Quarterly*, December, 1923.

The existence of a heavy burden of debt, where it does not make agriculture actually unremunerative, always impedes agricultural progress. As the Royal Commission on Agriculture remarks: "This is due not only to the fact that an important source of credit is drained for unproductive purposes and that the protential credit available for improvements, is correspondingly curtailed, but also because it is found that, in case of usufructuary mortgages, the mortgagor too often declines to the position of a permanent tenant under the mortgage, paying, not a fair rent but the utmost the lender can extract or extort."<sup>1</sup>

In the major part of India the poor peasant has long lain helpless under the harrow of the money-lender. Usually the peasant, conscious of his helplessness and attributing every misfortune to his past births, suffers in silence. But when a series of bad years brings about acute distress, the material becomes so combustible that the least excitement sets ablaze the countryside. In the case of agrarian riots the first man to suffer is always the money-lender. The Sonthal disturbance of 1855, the Deccan riots of 1874 and the Ajmore disturbance in 1891 were all fanned by enmity towards the money-lender. Whenever there is a wave of excitement among the rural population, it is the money-lender who is looted or murdered. Even in ordinary communal outbreaks the peasant takes occasion to vent some cherished grudge against a stony-hearted money-lender. The money-lender who is a dangerous necessity follows a risky calling in India, and his risks are hundredfold in localities where the peasantry is stubborn or turbulent, or in times when there is unrest or disturbance in the countryside.

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<sup>1</sup> For a discussion of rural credit in relation to the cultivator's economic surplus *vide* also Manu Subedar's Minority Report, Indian Central Banking Enquiry Committee, pp. 16-19.

## CHAPTER XV

### THE FOOD POSITION IN FAMINE AND NORMAL YEARS

**Difficulties of Food Organisation in India.**—Along with land tenure and land law, there are two forms of Government control which react favourably or unfavourably upon the economic position of the peasant. These are, first, the system of land taxation, and, secondly, the policy adopted by the State as regards the export of food-stuffs. We shall deal here with the second factor, keeping especially in mind the food position of the country both in favourable and unfavourable years. The famine of 1918-21, which has been the most severe and extended famine in recent years, and the rise in prices which followed it brought into prominence the question of the adequacy or inadequacy of India's food supply. The Famine Commission recommended 200,000 miles of railways as sufficient protection against famine. That limit has long been passed and yet famines continue. It is now realised that the improvement of methods of transport has resulted in a growing tendency to the depletion of stock in the more fertile regions and a general disposition to part with food-grain which was formerly kept as a reserve against scarcity. Famine officers have had difficulty in obtaining supplies of surplus food-grain in the more favoured regions. This upsets the famine relief organisation, ingeniously and elaborately devised as it has been to combat scarcity in any particular region. Thus, in close connection with the problem of famines, we have to consider whether India's food production is such as to satisfy the normal requirements of

her population and whether she has any exportable surplus in a normal year. Moreover we have to reckon with the possibilities of food shortage due to the frequency of droughts. The question of the surplus of food production over consumption in India has been discussed often, though opposite conclusions have been arrived at by different schools of writers. The difficulties of such an enquiry are obvious. In the first place, it is not easy to fix a standard of consumption which could reasonably be applied to a population of more than three hundred millions, consisting as it does of several distinct layers characterised by large differences in the standard of living and comfort. Secondly, our agricultural statistics are still defective. In the provinces, where there are large tracts of country under Permanent Settlement, the statistics of the area under cultivation are inaccurate. In those where the village accountant or headman is directly or indirectly responsible for the assessment or collection of revenue, the statistics are more reliable. The records of village officials who are expected, at any rate, to visit every field during the harvest and report what crop is grown and the condition of that crop, are usually accurate, since the area of every plot of land is set down in the village accountant's register. It is not difficult from this to ascertain the actual area under food or non-food crops. But the estimates of the produce of crops leave a large margin of error.

**Average Food Ration.**—We have to remember these limitations in any comparison between production and consumption in India. According to the latest Government estimate we require a minimum of  $\frac{1}{4}$ th of a ton of food-grain per head per annum including wastage and seed. This works out to about 10 chittaks a day. A village estimate would allow a minimum of one *bish* or ten maunds. This would give a figure of approximately  $\frac{1}{3}$ rd of a ton of rice consumed per head per annum. The wage scale



as given in the Famine Codes of Bengal, Bombay, Madras, the United Provinces of Agra and Oudh and the Punjab, which represents the lowest amount sufficient to maintain the ordinary man in proper health, is about 10 chittaks per head per day for human food alone, wastage and requirements for seed and cattle being excluded from this calculation.

**Jail Dietaries and the Food Ration.**—The researches of Major D. McCay into jail dietaries, which have been published in the *Scientific Memoirs* of the Government of India, have shown that a diet which includes more than 20 oz. of rice is in excess of physiological requirements. In the Madras Presidency the grain ration of a labouring male convict has in recent years been reduced from 24 oz. to 20 oz. and the reduction has been followed by an improvement in health and a decrease in bowel complaints. The ration of *dal* (split pea) for a labouring male convict is in some provinces 6 oz. per diem, in others 5 oz. and in others 4 oz. The Indian Jail Committee considered that the issue of this article should in no case exceed 5 oz. a day and that it should not exceed 4 oz. except in the case of dietaries in which the grain ration consists wholly of rice, or in the case of prisoners who are employed on *bona fide* hard labour. The vegetable ration in most provinces in India has been fixed at a minimum of 6 oz. per head per diem, but in Bombay it is 8 oz. and in view of the importance of the vegetable ration in the maintenance of sound health in a jail the Jail Committee recommended that it should be raised to 8 oz. everywhere. Calculating on this basis, the ration of 20 oz. of rice and 4 oz. of *dal*, we get 9 chittaks per head per diem as the irreducible minimum in jails. The late Mr. O'Bryne, who was Assistant Wheat Commissioner sometime ago, thought that we require between 5 and 6 maunds of grain per head per annum for human consumption alone, and this also works

out to a daily average between 9 and 10½ chittaks approximately.<sup>1</sup>

**Provision for Seed and Emergency.**—Besides the current consumption of the population we have also to reckon the stock which must be held in an agricultural country for seed and as a reserve against times of famine and scarcity. Considering the latter we may here refer to past famine experience, which indicates that India to be safe from famine must provide against a possible deficiency in grain production in any one year of, say, 40 per cent., or of grain deficiency for two successive seasons averaging 30 per cent. in each season. If such deficiencies can be provided against, any reasonably probable deficiency for three successive seasons would also be provided against. Dr. Gilbert Slater estimated, for normal storage, a stock of grain from 40 to 60 per cent. of the average annual consumption, in addition to the ordinary stock which must be carried over from one harvest to the next to meet the consumption of the intermediate period. A storage below 33 per cent. of the current consumption may be regarded as dangerous, because of the frequency of droughts. In some regions, notably the Eastern Bombay Deccan and the North Madras Deccan, as well as parts of the United Provinces, serious and widespread droughts have occurred at least once in between six and ten years during the last forty or fifty years; in others they may be expected at least once in twenty years; while in some other areas of the country, though less frequent, the actual economic loss is greater when a long drought does occur.<sup>2</sup>

\* <sup>1</sup> *Report of Prices Inquiry Committee, Government of Bengal, 1920.*

<sup>2</sup> *See Proceedings of the Board of Agriculture in India, 1919; also Mukerjee: Agricultural Cycles and Sun-spots, Indian Journal of Economics, Vol. X, Part 2.*

**Figures of Food Production in British India.**—We record below the figures of the total production of the major food-grains for the year 1912-13 and subsequent years. Before the war period, which witnessed a disturbance in India's balance of trade and production, the year 1912-13 was a normal year, being followed by the famine year of 1913-14.

### FOOD PRODUCTION IN BRITISH INDIA.

	1912-13.	1913-14 to 1916-17.	1917-18.	1918-19.	1920-21.	1921-22.
Millions of tons.						
Rice ...	28'48	30'91	36'23	23'67	27'66	33'08
Wheat ...	9'8 6	9'33	9'92	7'50	6'70	9'81
Barley ...	'88	3'05	8'32	2'78	2'50	3'12
Jowar ...	4'40	5'09	4'00	3'45	3'71	4'95
Bajra ...	2'33	3'28	2'00	1'38	1'96	1'81
Maize ...	2'24	2'25	2'31	1'77	2'08	2'40
Gram ...	3'38	3'35	4'40	1'92	2'37	4'33
Ragi ...	4'08	4'00	4'00	4'00	4'08	4'08
Other food-grains and pulses.	30'00	30'00	30'00	30'00	29'00	29'00
Total	85'63	91'26	96'18	76'47	80'06	92'53

We have calculated the yield of *ragi* on the basis of 1,092 lb. per acre, this being the average yield in the Madras Presidency. As regards "Other food-grains and pulses" (which include condiments and spices, fruits and vegetables and miscellaneous food-crops), the difficulty has been that no estimates of yields are framed under this head. We have taken an average yield of 900 lb., the average estimate for peas and grains being 869 lb. for British India.

For the production of 1913-1919 we are indebted to the estimates of the Indian Foodstuffs Commissioner.

From the above table we obtain an average annual production during the last decade of 83·03 million tons of food-grains and other food-crops.

The total output of food-grains that has been estimated is not all available for public consumption. We have also to estimate the seed-grains which are required in a normal year. These we have calculated on the basis of the following requirements :

*Seed-Grain for 10 Bighas or 3½ Acres.*

	Maunds.	Seers.
Rice	2	10
Wheat	9	—
Jowar	...	18
Gram and other pulses	1	

After due weighting, we estimate for 220 million acres an average consumption of 11 million tons of seed-grains.

In addition to 11 million tons required for seed, nearly 10 per cent. should be reckoned as wastage. For purposes of cattle food we may calculate 14 million tons more. The normal annual export of food-grains, according to the following statement, may be estimated as about 4,500,000 tons :—

*Food Exports from British India.*

	Millions of tons.
1. Average of 5 years 1903-10 to 1913-14 (pre-war average)	4·41
2. Average of 5 years 1914-15 to 1918-19 (war average)	3·14
3. 1917-18	4·51
4. 1918-19	3·24
5. 1920-21	1·91
6. 1921-22	2·5
7. 1925-26	3·06
8. 1929-30	2·30

The total amount available for human consumption for the famine years, therefore, may be estimated as below :—

	Quantity available for human consumption.	Population.	Allowance per head.	Minimum allowance necessary.
1880	28 million tons <sup>1</sup>	180 <sup>1</sup>	·12 tons	·20 tons
1898	40    "   "	216 <sup>2</sup>	·18 tons	·20 tons
1918-19	41    "   "	318 <sup>3</sup>	·18 tons	·20 tons
1920-21	45    "   "	318 <sup>3</sup>	·14 tons	·20 tons

**Normal Food Requirements, All India.**—It appears from the above table that the amount available for consumption per head fell below the minimum during the famine periods. For normal current consumption the Indian population of 318 millions would require 63·6 million tons of food-grains and other food. The cattle food would require a normal addition of 14 million tons,<sup>4</sup> and seed 11 million tons, while wastage would be 6·3 million tons. Thus, making these additions, India requires for keeping her population and live-stock in normal health and condition a food production of approximately 95 million tons. We, therefore, have to conclude that during the decade 1910-1920 Indian food production on an average fell below her normal requirements by 10 million tons.

**Food Export Question.**—Although India has no food surplus, she exports 4 to 5 million tons from the necessary stock of food of her own population, further lowering the available minimum per head by ·02 ton. It is true that a profitable outlet abroad encourages local production; but improved methods of storage and handling

<sup>1</sup> Figures of the Famine Commission of 1880.

<sup>2</sup> Figures of the Famine Commission of 1898.

<sup>3</sup> Census of 1921.

<sup>4</sup> There are nearly 151 million cattle in British India, and there has been an increase of 3·5 per cent. during 1921-25.

grain crops, as for instance, by wheat elevators or silos, as well as facilities of transport within the country would make home trade as profitable as export trade. The movement of food-crops within the country would be encouraged by higher prices in those parts where there is deficiency of production, while this inter-trading would not divert the food requirements of the people.

During the last two famine years, 1918-19 and 1920-21, we had a deficit of about 19 and 15 million tons respectively. *In spite of this deficiency India exported 3.24 and 1.91 million tons of food-grains*, which meant that we increased the food shortage by those amounts.

**Provision against Famine.**—We have not as yet calculated the necessary reserve provision against scarcity and famine. The necessity of a grain reserve has been greatly lessened by the development of transport, on account of which an increase in the purchasing power of the peasantry, implies security through the exchange of food-stuffs from foreign countries. It may be mentioned here that during the cold weather of 1921 and 1922 large quantities of American and Australian wheat were imported into India at prices considerably below those at which Indian wheat was available. Thus the real immunity from famines would come with an increase of agricultural productivity of the people and a necessary rise in their standard of living and comfort, without which the peasant's family would never produce more food than it requires for itself. There is vast scope for increasing the production per acre by the extension of irrigation, the improvement of agricultural methods, the introduction of manures, etc., while the problem of an extension of cultivation into areas of cultivable waste is of the first magnitude. At present, however, the growth both of the area under all kinds of cultivation, and of the area under food crops, has been far outstripped by the growth of population and, indeed, there

has been seen little improvement of the food position of India since 1880. P. P. Pillai has compiled the following table comparing the growth of the population with the extension of general cultivation and of the cultivation of food-grains :—

*Population and Cultivated Area, British India.*

Years.	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	1922-23.	1927-28.
Population (in millions)	246	248	251	253	255	257	256	259	320	350
Index No.	100	100.8	102	102.6	103.7	104.4	104.9	102.44	130.07	142.27
Total cropped area (in million acres)	216	224	219	228	222	230	228	201	225	223
Index No.	100	103.7	101.38	105.5	102.7	106.5	105.5	95.06	104.16	103.24
Total area under food-grains (in million acres)	195	201	192	205	204	209	207	178	205	196
Index No.	100	103.07	98.46	105.13	104.6	107.18	106.15	91.26	105.13	100.5

To Pillai's table recent statistics have been added which clearly indicate that the disparity between population and food supply has been increasing, endangering security in years of food shortage.

The following table shows the very large areas of fallow land and cultivable waste which are distributed among different provinces :—

## FALLOW AND WASTE LANDS, BRITISH INDIA.

*Average of 5 years ending 1919-20.**(In thousands of acres.)*

Province.	NET AREA.	CURRENT FALLOW.		CULTIVATED WASTE.	
	Cropped.	Area.	Percentage of net cropped area.	Area.	Percentage of net cropped area.
Bengal	24,478	5,059	22	5,445	22
Madras	33,531	9,266	27	11,691	34
Bombay	26,253	7,065	27	1,112	4
Sind	3,824	5,477	142	6,048	158
Agra	26,145	2,858	10	7,310	28
Oudh	9,155	663	6	2,826	30
Bihar and Orissa	25,988	5,430	21	6,635	26
Punjab	24,246	5,154	21	16,136	66
Upper Burma	5,350	4,208	80	10,587	198
Lower Burma	9,389	808	8	14,529	155
Central Provinces	17,554	3,038	17	13,435	76
Berar	6,820	1,323	19	137	1
Assam	5,780	2,630	45	14,102	248
N.W.F. Province	2,227	667	27	2,670	118

**Land Reclamation Possibilities in India.**—It is true that many of these large areas are not under cultivation because of infertility or unhealthiness, or, again the difficulty of obtaining labour and the lack of facilities for transport; but there are large areas of cultivable land which do not suffer to any extent from these drawbacks. In the Punjab it is through Government initiative that large areas of waste land have been brought under irrigation and cultivation. In the Central Provinces there are vast areas of fertile land which for many years have lain fallow as a



result of infestation with a persistent weed known as *kans*.<sup>1</sup> In these *kans*-infested tracts the introduction of tractors and tractor implements opens up great possibilities. Improved ploughs, which easily penetrate the soil but are not too heavy for the usual type of bullocks, might replace to a certain extent the deficiency of labour in uncultivated areas. The making of roads would open up much land that is left uncultivated because of its inaccessibility. Malaria and *kala-azar* have to be fought to bring waste lands in Assam under the plough. There are very large unoccupied areas in Lower Assam on both sides of the Brahmaputra. Recently the health conditions of the country have been improved, and already the surplus population of Bengal is overflowing into the *churs* and the jungles of Assam. Irrigation facilities, terracing and building of *bunds*, prevention of soil erosion which are beyond the reach of the peasants, are other measures that should bring large areas under cultivation. Some of the wastes may be converted into pastures with facilities for fencing. In some parts of India, *e.g.*, the Madras Presidency, forest regulations are so strict that the peasant finds it extremely difficult to keep his cattle, and so sells them periodically at a loss and purchases again during the busy season. The provision of pasture-grounds would solve this difficulty. Reclamation might be done either by the Government or by the peasants, whose co-operative societies or agricultural associations might be given free use of the land for a generous term of years and subsequently allowed to retain it at their own cost, with a prospect of full possession under satisfactory conditions. This would be counteractive to the unsatisfactory emigration which is going on. In the Punjab there are societies for reclamation of areas denuded by the hill torrents. There are five land-holding societies

<sup>1</sup> Clouston: *Proceedings of the Board of Agriculture*, 1924.

in Montgomery. The 112 members are members of co-operative societies in other districts whose lands have been destroyed or damaged by flood; they have been allotted 34 squares of poor land, which they have to improve by careful cultivation. The scheme was worked out by Mr. Strickland as a result of his visit to Italy and inspection of land-holding societies there. In the Bombay Presidency four societies have been registered for fencing against the ravages of wild pigs. These societies have proved successful and are not only advantageous for land already under cultivation, but also for reclaiming land which has been abandoned on account of the damage done by wild animals. In the Madras Presidency, the old agricultural practice persists that when virgin lands are to be reclaimed a large number of cultivators join in the effort, dividing the share according to the capital or labour supplied by each in conformity to an agreement.

The policy of the Government should be to encourage as far as possible, either directly or indirectly, increased production of food-crops and to bring fallow and waste lands under cultivation, thereby increasing the stock and reserve power of the population.

**Government Control of Food Export.**—It would be quite unjust to infer from the foregoing observations that the Government has done nothing to check the export of foodstuffs in times of famine and scarcity. During the famine of 1918 the Government passed orders prohibiting the export of wheat and wheat flour excepting under license. The export of rice on private account was prohibited also, and notifications were issued later prohibiting the export excepting under license of *bajra*, *jowar*, barley, *ragi*, gram, maize and pulse. Until 1922 it was found necessary to continue the war-time control of foodstuffs, since war conditions were followed by famine and semi-famine conditions. The important food-crops are wheat and rice which remained under control

throughout; and, whilst the other crops are unimportant, comparatively speaking, from the point of view of export, continuance of control in their case also was considered advisable.

The following table will show the decline in exports of rice and wheat :—

				Rice.	Wheat.
				(millions of tons)	
Average of five pre-war years ending					
1918-14	...	...	...	2·3	1·8
Average of four war years ending					
1917-18	...	...	...	2·04	1·12
1918-19	...	...	...	2·0	·48
1919-20	...	...	...	·62	·008
1920-21	...	...	...	1·3	·24
1929-30	...	...	...	1·8	2·3

The export of Burma rice was subjected to allotment and was controlled through the Rice Commissioner, Rangoon. The following table would show the coastwise exports of rice and paddy from Burma to India :—

				Rice (tons).
Average of the five pre-war years				
1909-10 to 1913-14	...	...	...	597,000
Average of war period, 1914-15 to 1918-19				974,400
1918-1919	...	...	...	844,600
1919-1920	...	...	...	1,810,000

Free trade was established between Burma and India in 1920-21, and all control was removed from trade with foreign countries excepting that shipment was permitted only under license up to a limited quantity of the exportable surplus, which first was estimated at 2,100,000 tons of white rice, but subsequently was reduced to 1,942,000.

**Export Duties.**—The policy of allotment and control of exports of food-grains followed by the Government during these years of famine and scarcity shows that a *laissez-faire* export policy breaks down when there is shortage of grain

and deficiency of transport. Indeed, the measures of the Government as regards prohibition and licensing, as well as control and rationing, have contributed not a little to mitigate suffering and distress and to distribute equitably the exportable surplus amongst the different countries. Along with the system of control, the Government might have used an export duty varying with the price according to a sliding scale as a more scientific way of discouraging exportation, yet fraught with advantage to the Indian revenues. Such an export duty might be levied in any year when the estimated crop production falls below the normal average of 86 million tons. A policy of total prohibition of the export of foodstuffs is to be condemned since it nullifies the object which it is intended to serve. It retards agricultural improvement by reducing the resources of the more prosperous peasantry. It discourages the peasants from cultivating food-grains by the lowering of prices, and actually may reduce the acreage under cultivation as well as the output of food-grains. Thus the security against famine which is the main reason for the prohibition of the export of food, is still more endangered. While the peasantry should be encouraged and educated to produce more from the soil, whether food-crops or raw materials, and thereby to increase the reserve of purchasing power which may be drawn upon in a bad season, the Government policy should be, apart from the established measures of famine relief, to permit free export so that the peasantry may use their purchasing power in times of stress to import grain from foreign countries ; but at the same time to watch the export carefully and regulate it on occasions when through bad seasons or other difficulties the country has no exportable surplus. By improving crop experiments and methods of forecasting the yield, the Government should be able to judge the crop situation earlier than the trade ; and should conservation be found necessary by adopting measures of food control and levying an export

duty they would be able to check the export of a substantial amount of food-grains before there was any appreciable rise in price. Such a duty could be reduced gradually as normal times were restored, thus promoting a gradual resumption of exports and avoiding violent price fluctuations. In the case of the export of rice, approximately double the export of wheat in normal years, there is a great advantage, rice being a semi-monopoly of India.<sup>1</sup> But in the case of wheat also, when scarcity is apprehended, the situation should be met by means of an export duty sufficient to regulate the amount of wheat the country might allow to export abroad, and also by restrictions on its inter-provincial movements. This would prevent much needless suffering, which is inevitable if the Government should rely exclusively upon the advice of trade authorities. There are dangers from speculative hoarding and profiteering, but these must be faced boldly and countered by legislation, because the paramount requirements of the masses of the people demand such measures. Such measures cannot be undertaken effectively unless and until the Government possesses reliable statistical forecasts of yields. The recent famines revealed our ignorance of the quantities of food-grains available, other than wheat and rice ; and a Committee of the Board of Agriculture, which discussed the whole question of Government famine policy, were of opinion that similar care should be taken to obtain correct data with regard to the production, consumption and movement of the other food crops for which forecasts at present are issued, to ensure that information shall be available with regard to the stocks held and the crop prospects at any time.

A contrary set of economic circumstances have in recent years affected the economic solvency of the Indian peasant and reduced both his standard of living and his safety.

<sup>1</sup> *Report of the Indian Fiscal Commission*, p. 116.

Due in large measure to the mechanisation of agriculture in Russia, Canada and Argentine and the downward movement of wheat prices abroad on account of the muddle in currency and exchange in the West, India's wheat exports which amounted to 2·3 million tons in 1929-30 have been swept off, and instead Australian wheat has come in not negligible quantities causing distress among the wheat growers of Northern India. This has recently led to the imposition of an import duty of Rs. 2 per cent. on wheat and wheat flour and there is a serious demand now for sugar and cotton import duties for the protection of these crops. No doubt, as wheat costs of production and prices range much lower in the West causing a permanent handicap to the Indian producer with the uneconomical size of his holdings and his unorganised and wasteful methods of marketing, there is little chance of India's winning back her former position in the world's agricultural trade. Thus with large unsaleable stocks of food-grains stored in her *mandis* and with prospects even of the dumping of food-grains from abroad, the purchasing power of the Indian peasant is so much reduced and his credit diminished to such an extent that there is the same insecurity against famines which was brought about in the past by food shortage and deficiency of marketing and transport.

## CHAPTER XVI

### TAXATION OF AGRICULTURAL INCOME

**Peasant's "Ability to Pay."**—The vast population of India is essentially agricultural and rural, 10·2 per cent. representing the proportion massed in the cities and towns; whilst agriculture proper is the mainstay of not less than 71 per cent. Besides the cultivators the villages contain many artisans, labourers and functionaries, who ordinarily are supported from the produce of the village fields. A considerable proportion of the large number of persons in the category of vague and unclassifiable occupations are labourers clearly connected with the occupation of the land. It has been estimated that nine-tenths of the rural population of India live, directly or indirectly, on the produce of the soil. In a country where agriculture is the predominant occupation, the field produce naturally is the principal subject of taxation, yielding approximately 30 per cent. of the revenue. The repeated occurrence of famines and the rise of prices in recent years, however, have brought into prominence the question of the presence or absence of taxable surplus among the peasantry. In Bombay and Madras the land revenue is assessed upon each acre according to fertility, facilities of irrigation, price-level and general economic condition in villages, irrespectively of the fact whether the cultivator has a surplus income or not. In the permanently settled tracts the economic distress has shown also the inequity of increasing the burden of rent for the cultivators and exempting the *zamindars* from new or additional burdens; while the increasing chain of rent-receivers in other parts who eat up the profits of agriculture so far have resisted the inroad of the tax-collector upon their

preserve of agricultural income. Thus, whether the Government or the landlord encroaches upon the standard wages of cultivation by exacting an undue share of the produce, the result to the unfortunate peasant is the same.

**Rise of a New Taxable Class.**—On account of the practice of subdivision and subinfeudation of rights in land, there has developed, as we have seen, a class of inferior landlords and rent-payers. Sometimes they take shelter under the security of the legally-recognised peasant. Sometimes, again, they themselves obtain legal recognition. On one hand, in many parts of India the substantial cultivator is bought out by the group of capitalistic middlemen ; on the other, the cultivator gives up his due share of labour in the fields and depends more and more on hired labour or on the share system. Even in the Punjab there has developed a class of occupancy tenants and inferior owners who exercise practically all the rights of ownership, excepting that they pay certain dues to superior landlords. Accordingly, in the Punjab nearly half the total cultivated area is cultivated by tenants. In Bengal the creation of a class of *patnidars*, *dar-patnidars* and other inferior owners has been a serious evil, now sought to be remedied by an amendment of the Bengal Tenancy Act. All this has brought about a marked alteration in the distribution of agricultural income.

**Taxation of Non-Cultivating Land-Owners.**—A change of this order necessitates that we should seek the taxable surplus from the long array of intermediaries dependent on the land rather than from the small holders whose economic position has deteriorated very much in recent years. It is also necessary to adjust the rates of assessment on rent-receivers according to a graduated scale, as in the income-tax. Heavy duties on estates, probates, legacies and succession or death duties might as an alternative be introduced in the permanently-settled tracts of India



as well as in those where an inferior landlordism has developed. Such duties might be levied when the *karta* of the joint family or any coparcener of the oldest generation dies. Indeed, where there is a large transfer of agricultural holdings and the non-agriculturist classes play a large part in land speculation and farming of land revenue, these gains form a surplus peculiarly fitted for taxation.

A way towards a more equitable adjustment accordingly would lie in (a) assessing the income derived from land from all classes of rent-payers and rent-receivers who do not directly work on the soil; (b) basing the revenue on the agricultural profits of a representative economic holding; (c) exempting the uneconomic holding from any land-tax.

**The Economic Cultivation Unit, the Basis of Land-tax Assessment.**—The size of the average economic holding would vary in different provinces, and it is necessary to institute regional enquiries with a view to arrive at the average economic cultivation unit. This marginal unit, representing the exemption level, would be a check against indiscriminate or over-taxation. On the *ryotwari* lands the Government rent is calculated after deducting cost of production from the gross produce, such as cost of carriage to market and grain-dealers' and other middlemen's profits, loss on bad soil which on dry, *i.e.* unirrigated, lands amounts to as much as 25 per cent., and the expenses of cultivation. After these deductions are made, the remainder is the net cash produce. Of this the lesser half goes as Government revenue. The danger in this system of rent assessment has been to under-estimate the total cost of production, and to ignore the cultivator's profits, while over-estimating the gross produce and the benefits derived from land improvements and irrigation projects. Such a danger can only be met effectively by ascertaining the size of the economic holding for regions into which the district or subdivision of district is divided according to an economic

circle, which would fix the limit of taxation. Holdings which are larger than the economic cultivation unit, and are hired out, might be subjected to a scheme of progressive taxation, as in the cantons of Switzerland. Such a scheme of income-tax on cultivation profits and losses would be elastic and would not lead to loss of revenue due to the abolition of the present land-revenue, or to evasion as in the case of the American tax on the capital value of the land. In the absence of satisfactory farm accounts showing receipts from and expenditure on holdings, the tax might be a fixed proportion of the rent or land-revenue which the cultivator pays. The proportion would vary with the class of the land, the leases prevailing in the village, the nature of the agricultural season, etc.

**Discriminatory Rent Assessment.**—It may be of interest to recall a controversy which raged in Bihar a few years back round the question of discrimination between economic and uneconomic holdings in the assessment of rents. A special judge in deciding the enhancement of rents under the provisions of the Bengal Tenancy Act, for some of the estates in the Shahabad district allowed an enhancement of Re. 0-1-10 for all holdings of 10 *bighas* survey area or more, but of only Re. 0-1-6 for holdings of a smaller size. The ground for such discrimination was that rise in prices advantaged the tenants of large holdings more than the tenants of small holdings, who had less or even *nothing to sell of the crops after providing for the food of themselves and their families*. This particular point was raised generally for the province of Bihar as a whole by Mr. B. A. Collins in 1912, when opinions of Settlement Officers were invited and considered by the Board of Revenue. The decision was adverse to the discrimination between economic and uneconomic holdings. The arguments for the discrimination are (1) that the tenant of a non-economic holding obtains no benefit from a rise in prices, because he

and his family consume all the produce of his field and, indeed, have to supplement it by the wages of their labour; (2) that even if rural labour wages also have risen, it is inequitable to draw on them for rent; (3) that similar discrimination is shown in the incidence of income-tax in the United Kingdom, in India and elsewhere by admitting the principles of exemption and graduation; (4) in areas where a large proportion of the *ryots'* holdings are non-economic it is probable that competition for land has reached such a pitch that the operation of the ordinary tenancy law is powerless to limit the rent which the landlords may command. It may be contended that such discrimination may tend to encourage the increase of non-economic holdings and discourage the emigration of surplus agricultural population to undeveloped tracts or to industrial areas. Under the existing social system, however, the cultivators are reluctant to leave the village and the family farm except as a last resort. Thus they still continue to cultivate the family holding even though such cultivation may be uneconomic.

**Untaxable Holdings.**—In many parts of India, 6 to 10 *bighas* (nearly 2 to  $3\frac{1}{3}$  acres) would represent, as we have estimated before, the average uneconomic holding, which, however established, has virtually no ability to bear taxation. A tax on an uneconomic holding, furthermore, would entail a loss of physical efficiency of the cultivator and his family, or lead to the transfer of the holding to the money-lending or middle classes who have other sources of income. In 1917 France introduced an income-tax on agricultural profits as distinguished from land proprietorship at the rate of  $3\frac{3}{4}$  per cent. In England the assessment of farmer's profits was at one-third of the annual value before the war, and the great majority of the farmers were virtually exempt from all payment. During the war the basis of assessment of farmer's

profits was raised to the full annual value. In India the cultivator and his workers and dependants are maintained directly on the produce of the fields, and the real income is difficult to ascertain and appraise. Book-keeping methods, moreover, are unknown among the farmers. These difficulties are not insuperable, but must be faced to enable us to establish the distinction between sorts and amounts of agricultural income which rightly rank as costs and those which are to be accounted surplus; which latter, and not the former, should bear the tax. For obviously five persons cannot pay a direct tax in money if it exceeds 33 per cent. of the gross produce and the interest of old debts at 33 per cent. upon three acres of over-cropped soil without danger in a bad year of catastrophe. In considerable parts of India the holdings are so small and uneconomic that the wages of cultivation do not suffice for maintenance: yet the peasants, on account of force of habit and social tradition, do not seek employment elsewhere. Thus the controversy as regards the nature of Indian land revenue, whether it is a tax or rent, is irrelevant since the Ricardian assumptions regarding mobility of labour, wages of labour and profits from land do not hold good. As Loveday remarks: "When an alternative to agriculture as a means of subsistence is practically non-existent it is ridiculous to speak of earnings sufficient to call capital and labour into the industry; it is no less ridiculous to contend that rent does not enter into the cost of production when the effect of that rent is so to lower the standard of living and efficiency that the cultivating classes, forced on to the margin of existence, are rendered unable to sink capital into the land they till or to maintain the personal energy with which they are endowed." Indeed, were land revenue entirely abolished, many Indian peasants still would find themselves below the subsistence minimum. If land revenue were

assimilated with income and the uneconomic holding were to be exempted, the larger portion of the present land revenue would disappear altogether. But, as Prof. R. M. Joshi suggests, it might reappear under another name, *viz.*, a local rate on the annual value of immovable property without any exemption limit. This is what happens in England. What this means is that our land revenue is really of the nature of the local rates in England. If the land revenue were spent entirely in the rural areas on education, sanitation, medical relief, rural public works, etc., as if it were a local rate, most of the complaint about its burden and injustice would disappear.<sup>1</sup> It is significant that Bengal's share in local taxation is the smallest, while her contribution of revenue from land is also the least :

*Local Boards.*

	As. P.			As. P.	
Bombay	... 13	6	North-West Frontier	... 6	1
Punjab	... 12	3	United Provinces	... 5	9
Madras	... 11	6	Bihar and Orissa	... 5	8
Central Provinces	... 6	4	Bengal	... 4	1
Assam	... 6	1			

The following comparison is interesting :—

*Incidence for acre of land revenue, 1915-16.*

	Rs. As. P.				Rs. As. P.		
Japan	... 6	1	7	Bombay	... 1	5	7
Sind	... 3	1	4	Berar	... 1	4	10
Lower Burma	... 2	14	0	Central Provinces	... 0	9	10
Madras	... 2	8	11	Bengal	... 0	10	8
Upper Burma	... 1	13	4				

A water utilisation association in Japan, which has been established to carry out irrigation or drainage work

<sup>1</sup> *Proceedings of the Eighth Conference of the Indian Economic Association.*

or to prevent the occurrence of floods, may charge its expenses against the lands benefited.

**Bengal Permanent Settlement.**—It is now recognised that the Permanent Settlement in Bengal, while benefiting the small minority of *zamindars* in the presidency, has gravely prejudiced the people of the other provinces by leading to the imposition of a heavier burden. Jack remarks that the revenue demand in Bengal is only half of what it is in any other province in India, although in all probability the income per head of the population is greater than in any other province. Thus Bengal contributes Rs. 3,039,103, while the United Provinces contribute Rs. 68,047,676, Madras Rs. 57,981,189, and Bombay Rs. 43,473,774. The injustice to the Bengal ryot is more glaring.

In 1765, when the East India Company obtained the *Dewani* of Bengal, Bihar and Orissa, the revenue was a little more than three crores of rupees. In 1900 the revenue demand was as follows :—

Permanently Settled Estates	Rs. 82,822,617
Temporarily Settled Estates	Rs. 8,428,267
<i>Khasmahals</i>	Rs. 4,104,758

“ According to the *Cess Report* of the Revenue Board the *zamindars* obtained Rs. 16½ crores approximately from the *ryots*, of which the Government received less than Rs. 4 crores. At the time of the Permanent Settlement it was promised that out of the total collection the Government would receive 90 per cent. and the *zamindars* keep 10 per cent. According to this arrangement, the *zamindars* ought to have received Rs. 40 lakhs ; instead they appropriated Rs. 12½ crores, while the *ryots* are actually paying 30 times more to the *zamindars* than their due for the collection of revenue. For a century and a half the *zamindars* have appropriated a total amount

of Rs. 1,800 crores approximately." According to the Report of the Land Revenue Administration for 1918-19 the gross rentals amounted to 12·85 crores of rupees and the land revenue was 2·99 crores, leaving as the balance intercepted by the landlords, including the tenure-holders, 9·86 crores. From 1793 to 1924 the income of the Bengal *zamindars* has increased from Rs. 400 lakhs to Rs. 1,468 lakhs, while the land revenue practically has not increased at all. The loss that has resulted may be gauged from the figures of increase of Government revenue from the temporary settled estates and from *khas mahals* for the last two decades.

	1900-01. Rs.	1912-13. Rs.	1923-24. Rs.
Revenue from Temporary Settled Estates	1,320,193	1,530,822	2,010,187
Revenue from <i>Khasmahals</i>	2,738,420	3,948,416	5,159,331

The above estates are interspersed among the *zamindaris* and therefore the conditions of an enhancement of revenue apply here also. In Bihar the revenue fixed under the Permanent Settlement is about ten or fifteen per cent. of the rental assets of the land, while the present standard is fifty per cent. The consequence is that the income derived by the State from land revenue is only one and a half crores instead of four crores as it would be if the Permanent Settlement could be brought up to modern standards, and the balance is left in the hands of the people.<sup>1</sup> It must be pointed out here that a large share has gone to a very large number of petty tenure-holders and small co-sharer *zamindars* whose income is relatively insignificant. But this is largely the outcome of the land system created by the Permanent Settlement. Sub-infeudation as well as the free sale and purchase of rights in land are themselves the results of

<sup>1</sup> Prior: *Bihar and Orissa, 1922*.

a system of land tenure in which the proprietors' only concern with land has been the amount of rent it brought to them. Much grain has passed through the mill since Lord Cornwallis gave Bengal its present settlement. The objections to the Permanent Settlement are now well recognised. Lord Irwin put them in a nutshell as follows: "It involves a sacrifice of the share of the State in the growing values of land and perpetuates assessments which must become more and more uneven as time goes on. Any measure, too, which tends permanently to limit the share of which any class is called upon to contribute to the general revenues is almost certain to result in an unfair burden on the other classes. India's place in the commercial markets of the world and the intricacies of her financial and social problems have brought many new factors into the picture which necessitate elasticity of public revenue and expenditure."

The following table gives the incidence of rent and of land revenue and the value of gross produce per acre in different districts in Bengal:—

District.	Incidence of rent per acre paid by tenant.			Incidence of land revenue per acre paid by zamindar.			Average value of gross produce.		
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
Dacca	2	13	1	0	5	0	57	0	0
Mymensingh	3	8	4	0	3	8	58	0	0
Faridpur	2	9	2	0	8	6	45	0	0
Bakarganj	4	8	10	0	7	4	45	0	0
Tipperah	3	2	2	0	7	9	63	0	0
Noakhali	4	4	5	0	8	6	95	0	0
Chittagong	—	0	0	2	14	2	...	...	...
Rajshahi	3	3	0	0	10	0	50	0	0
Midnapur	3	15	5	0	12	0	41	0	0
Jessore	2	7	5	0	6	5	47	6	0



The average rent for all classes of land is Rs. 3 per acre while the incidence of land revenue is only 10 as. 8 pies. The incidence of land revenue on total area in certain districts in Bihar is shown below :—

	Incidence of land revenue per acre.			Average incidence of cash rent per acre.		
	Rs.	A.	P.	Rs.	A.	P.
Patna	1	2	0	7	7	7
Saran	0	11	11	4	5	4
Shahabad	0	10	5	4	0	11
Bhagalpur	0	3	4	2	10	5
Gaya	0	7	9	5	15	11
Champaran	0	3	7	2	2	5
Muzaffarpur	0	9	11	3	13	5
Darbhanga	0	5	10	3	12	4
Purnea	0	6	2	1	13	11
South Monghyr	0	4	4	3	8	0
North Monghyr	0	6	5	2	15	0

The above tables, of course, exclude the various illegal imposts (*abwabs*) which have been paid by the tenants of Bengal and Bihar throughout this period. In one district of Bengal alone, *viz.* Bakarganj, the total amount collected as *abwabs* in one year has been estimated at not less than 20 lakhs of rupees or more than the entire Government revenue and one quarter of the entire rental of the district.<sup>1</sup> Besides there is also excess realisation of the public works and road cess which is very rarely levied by the landlord at the authorised rates in several districts. All this implies that rent in Bengal though regulated ostensibly by custom and tenancy legislation has approximated closely to the economic rent. In fact in many districts the overcrowding of agriculture and competition for land among tenants have made it easy for the landlords to demand

<sup>1</sup> Jack: *Report of the Settlement Operations in Bakarganj District.*

rents sometimes higher than economic rents. In 1793 a large proportion of Bengal, estimated at one-third by Lord Cornwallis, was waste land. Both population and cultivation have expanded enormously in the last century, the proportion of cultivated to cultivable area in many districts exceeding 80%.<sup>1</sup> The cultivation of all culturable land without rest has been enforced in all districts in Bengal except Bakarganj and Noakhali as a result of the heavy pressure of population on the soil. As the inferior or outlying lands have been resorted to for cultivation, economic rents have gone up and the major portion of such increase has been appropriated by the landlords of superior and inferior grades. This is a glaring economic injustice for it is well-known that the Bengal landlords as a class have not contributed much to permanent improvements of land; in fact in many districts their lukewarmness is responsible for the disrepair of tanks and irrigation channels. On the other hand, the decrease of land revenue from 90% in 1793 to approximately 20% at present has left the State with relatively inadequate resources to fight malaria or improve education for the Bengal ryots. The proportion of the rental received by Government as revenue has diminished not only because the aggregate rent has gone up by leaps and bounds while the revenue has remained inelastic, but also because the purchasing power of the rupee has considerably gone down since 1793. In 1776 rice sold at 16 seers per rupee, a century and a half later it was selling at only 5 seers per rupee. The enormous rise of prices of agricultural produce, during the last century and a half, has brought about a considerable loss of real revenue to Government.<sup>2</sup>

<sup>1</sup> Mukerjee: *Rural Economy of India*, p. 89.

<sup>2</sup> J. C. Ghosh: *Rent and Land Revenue in Bengal*, *Indian Journal of Economics*, July, 1929.

**Unfair Distribution of the Tax Burden.**—This has involved a sacrifice of the share of the community in the growing values of land and also an uneven burden on the non-landlord classes, which has become more and more unfair on account of the variety of circumstances as time went on. Moreover the Bengal *zamindar* gradually fell out of touch with the actual cultivator owing to the intervention of a class of *patnidars*, *dar-patnidars* and other inferior owners, often 8 to 12 in number, who cannot have much sympathy for him. Again, the Permanent Settlement, in so far as it has conferred a differential advantage on the investment of capital in land in Bengal, has operated unfavourably on trade and industry and has contributed not a little towards the industrial backwardness of the province. The non-landlord classes including traders and industrialists contribute a larger part of their surplus to public revenue than the landlords. The differentiation of the several forms of income as sources of taxation has encouraged investment and speculation in land to the detriment of the accumulation of industrial capital, put a premium on the status of the landlord and encouraged the well-established tradition of treating land as a source of financial returns obtained by the landlord as a rent-receiver rather than as a field of enterprise for him as a wealth-producer, playing an honourable part in the agricultural combination. Finally, the inequality in the distribution of the tax burden as between landholders of different classes and between the landholders themselves and other classes in society has been a serious hardship on the masses of people in Bengal, represented by small and impoverished tenants while the progress of agriculture, education and sanitation has all been lamentably retarded due to lack of revenue. In Bengal the Government is being constantly asked to tackle new problems of prevention of malaria, water-logging and disease unknown to other Provinces but its revenue is

inelastic. In Bombay, for instance, the land revenue is double that of the revenue derived from income-tax while Bengal's land revenue is only half and her incidence of local rates and taxes less than one-third of the latter.

The *zamindars* of Bengal have always strenuously fought against the increase of public demand basing their plea on the ground that such demand had been excluded at the time of the Permanent Settlement as a pledge "in consequence of the improvement of their respective estates." Recently the Indian Taxation Enquiry Committee have gone into the question and pointed out that as a matter of fact agricultural incomes were assessed to income-tax as levied in 1860 and 1869, and that when income-tax was replaced by licence tax agricultural incomes were assessed to a corresponding burden of the cess. It was the continuing existence of this corresponding burden that was responsible for their exemption in the Act of 1866. The conclusion of the Committee is that as the corresponding burden has now been removed under a system under which there is no charge on the land except the land revenue and the local rate, there is nothing in the history of the case to justify the continued exemption of this class of income from the income-tax.<sup>1</sup> In fact an immediate practical method of removing the present gross inequality of the burden of taxation is to assess all agricultural incomes in a progressive scale, to impose heavy death duties for incomes exceeding a given scale and to exempt the uneconomic holding of small tenants from an enhancement of rents under the existing tenancy laws. Above the class of small tenants in undersized holdings who have no economic surplus there will, of course, be some prosperous tenants whose incomes in agriculture would reach beyond Rs. 1,000, the present limit for the imposition of the income-tax.

<sup>1</sup> *Report of the Indian Taxation Enquiry Committee*, p. 212.

**Necessary Revision of Permanent Settlement.**—This is a measure of moderate reform as compared with those which have been forced upon the Irish and Scotch landlords who are proprietors in the stricter sense of the term than the Bengal *zamindars* or Oudh *taluqdars*. Both in Ireland and Scotland small holdings have been constituted through a compulsory acquisition of the landlord estate at the instance of the Government, the tenants paying in easy instalments for the small farms into which the estates are parcelled. The evils of absentee landlordism and of sub-division and sub-infeudation of rights in land have been so rife in some of the congested districts of Bengal and Oudh that supporters of schemes of compulsory acquisition of *zamindar's* and *taluqdar's* estates by adequate or nominal compensation are more and more strengthened by widespread agrarian unsettlement and tenant disturbance.

Much of the benefit of the Permanent Settlement as regards fixity of assessment has been nullified or diminished, as we have seen, by the growth in recent years of the class of rent-receivers and rent-payers on account of which the rates of rent of the *ryot* paid to the landlords have increased greatly. This increment does not reach the public exchequer but fills the pockets of absentee landlords and intermediaries. The effect is none the less weakening to the economic position and staying power of the peasantry. Thus economic pressure upon the cultivators in the permanently settled tracts is growing as acute as in other parts of India, and in spite of the hopes of the late Mr. R. C. Dutta, distress and hardship during a year of scarcity are plainly visible here, though perhaps to a less extent than in the rest of India. That the Permanent Settlement protects the *ryots* in Bengal against the rigours of a famine is a theory which is at once economically unsound and historically false. This might have been true if the *zamindar* protected the *ryot* against rack-renting or invested

his capital in land improvement. It is the incomparable fertility of soil of the delta which is an insurance against famine. In South-Western Bengal, where the loss of inundation silt, decline of waterways and lack of irrigation facilities make agriculture precarious, neither the *zamindar* nor the Permanent Settlement can save the situation when the rain fails. The principal aim of the Permanent Settlement was no doubt to secure a moderate assessment regularly and punctually collected and at the same time to restore to their proper rights and privileges the *zamindars* and other landholders. But the rights and privileges to be restored were not only those of the *zamindar*, and it was clearly recognised by the principal authors of the Permanent Settlement that the actual cultivators as well as intermediate tenure-holders had rights which it was the duty of the Government to protect. An examination of the papers relating to the Permanent Settlement will convince any fair-minded enquirer that it was the intention of the Government to render the rents payable by the *ryots* precisely as stable as the revenue payable by the *zamindar*. Indeed, the evidence is overwhelming that the authors of the Permanent Settlement intended that the cash-rents paid by *ryots* for lands in actual cultivation under the cash-rents system at the time of the Permanent Settlement, could not by any means be enhanced, though the total income of a *zamindari* would naturally grow with the extension of cultivation, by the substitution of the valuable crops to which the *hastobudi* system applied for cheap crops subject to produce-rents, or by the substitution of more valuable for less valuable crops of which both were by custom subject either to the *hastobudi* or to the produce-rent system.<sup>1</sup> The Permanent

<sup>1</sup> Hubback: *Final Report on the Settlement in Shahabad*, pp. 19-21; also *Appendix to the Report of the Rent Law Commission*, 1879-80.

Settlement endeavoured to substitute a system of declaratory leases (*pattas*) for the system of customary rates. Such leases, which would state the exact amount of the cultivator's rent were to be duly enforced by the Collectors. The amount of rent was not to exceed the established *pargana* rates for the crops grown on it and it was not to be raised excepting on the ground that the cultivator had made a change to more valuable crops. Unfortunately the whole machinery by which the *pargana* rates were to be determined by an exhaustive enquiry and recorded in the village register collapsed entirely and the cultivators were for half a century left almost at the mercy of competitive rents. The Government gave certainty of revenue to the *zamindar* but certainty as to the amount of rent, which the Government wanted to give to the cultivator, could not be given simply because the express instructions of the framers of the Permanent Settlement were not carried out.<sup>1</sup> Within eighteen years of the settlement the difference between the collections from the *ryots* and the amount of Government revenue had trebled. The bulk of the increase consisted of rack-rents and illegal cesses from the cultivators. In consequence the whole spirit of the Permanent Settlement was falsified by later economic history. Not merely did the *zamindar* enhance commuted produce-rents, but also cash-rents, necessitating later the provisions of the Bengal Tenancy Act in restriction of enhancement by contract. Whether the *ryot* got a full crop or not, the *zamindar* through all these decades claimed his rent. He has taken little interest in the improvement of his lands. Moreover, he has fallen out of touch with the actual

<sup>1</sup> See Hunter, *Bengal MS. Records*, Vol. I, Chapter V. That the necessity of protective legislation was present in the mind of Lord Cornwallis is shown by his minute of 1789: "I understand the word 'permanency' to extend to the *Jumma* only and not to the details of the settlement, for many regulations will certainly be hereafter necessary for the further security of the *raiyats*."

cultivator owing to the intervention of a series of middlemen who have very little sympathy for him. Thus the landlords and intermediate tenure-holders have become mere annuitants on the land taking little interest in their nominal estates beyond assuring the payment of their rent, and practically indifferent to their improvement, or to the condition of the cultivators from whom their income is drawn. Embankments, drainage channels, tanks for irrigation or water-supply and other works of public utility constructed by the generosity of former landlords, are allowed to fall into disrepair; it is no one's business to repair them, and the landlords have no incitement to undertake any fresh work of improvement, since the pecuniary benefit they can ultimately hope for according to the tenancy laws is more shadowy than otherwise. According to the proclamation of 1793 the fixity of revenue was made dependent on measures of improvement to be made by the *zamindars* on their respective estates. Since they have neglected altogether their duties as regards land improvement, there is no reason why they can demand exemption from a general tax like the income-tax. In 1921 the Government proposed that in assessing incomes for purposes of income-tax the land revenue should be taken into consideration to fix the rate of income-tax to be imposed only upon that portion of the individual's income which is not derived from land. The proposal was defeated as a result of opposition of the *zamindars*. In Bengal the amount of land revenue is only half the revenue derived from the income-tax; in the Bombay Presidency it is approximately double. There cannot be any doubt that the bolstering up of the landed interest and proportionately greater burden thrown upon trade and industry have contributed not a little towards the industrial backwardness of the Bengali and his established preference to enjoy his wealth as an absentee landlord, no matter whether superior or inferior.



**Temporary Settlement.**—The question of prescribing a longer term of settlement than 10, 20 or 30 years, so as to furnish a guarantee that the man who bears the cost of the improvement of the land should enjoy the profits thereof, is connected intimately not only with the state of development of the land but also with the state of the tenancy law in a particular province. Where the cultivator of the soil is not protected from ejectment or enhancement, any rise in prices, or improvement in irrigation and communications, is accompanied by the introduction of layer upon layer of tenure-holders and intermediaries between the landlord and the tenant, and between the tenant and the actual cultivator; and the people's share of the profits, which is the land revenue, neither reaches them, nor does it go to the tillers of the soil. It is frittered away among a host of intermediate tenure-holders of any and every kind who do not improve the land and do not add to the wealth of the country, but who simply desire annuities from the land to the detriment of the people. Thus, where the position of tenants or occupiers is weak, a permanent or a long-period settlement would either swell the profits of the landlord or distribute the profits of agriculture among a number of useless intermediaries. There cannot be any doubt, however, that the present land revenue is unequal in its incidence and that every effort should be made to reach equality of assessment among the different classes who live on the land. On the one hand, a long period of settlement without a reform of tenancy leads to a loss of revenue for the State and of profits for the peasantry. On the other hand, a short term settlement would take from the cultivator the competition rent of a private landlord and discourage improvements by the superior proprietors.<sup>1</sup> In both cases the peasantry

<sup>1</sup> Sir Reginal Craddock's speech in the Imperial Legislative Council, 27th February, 1914.

is left without much reserve against times of famine and scarcity. Mr. O'Connor, late Director-General of Statistics for India remarked: "It is doubtful whether the efforts now being made to take the cultivator out of the hands of the money-lender will have much effect, or, even if they have the fullest effect, that they will materially improve the cultivator's position, until a larger share of the produce of the soil is left in his hands, and he is protected against enhanced assessment by Government Officials and against enhanced rents by private landlords. This is much the most important of Indian industries, more important than all the rest put together, and it should receive from the State more discerning attention than, I am afraid, has as yet been given to it. We must appreciate to the full all that the State is doing or proposing to do, in the provision of irrigation, in the provision of advances for improvement, in lessons on reformed methods of cultivation, in the introduction of new plants and improved implements; but, important as these are, specially the development of irrigation, I have little doubt that the reduction of land revenue by 25 or 30 per cent., if the reduction is secured to the profit of the cultivator, would be of far more value in the improvement of the class who constitutes the bulk of the population and who contribute most largely to the finances of the State." Not merely in the *ryotwari* areas, but also in the temporarily settled tracts where the recent tenancy laws now afford protection against arbitrary ejection and enhancement of rents, such reduction of land revenue would react favourably upon the conditions of the peasantry. With the development of occupancy status in the temporarily settled tracts, the case for long-period settlement and lower pitch of Government assessment of the land revenue has become much stronger.

**Famine and the Indian Village.**—As to the exact estimate of the effects of famines and scarcity on the

peasantry, it is difficult to speak with certainty, but the investigation of Mann and Kanitkar have yielded results which serve to explain the distress and hardship suffered during a famine in many quarters.

*Increase of Land Revenue in an Indian Village.*

Year.	Land Revenue.	Assessed Area.
	Rs.	Acres.
1698	301	1,663
1724	526	2,000
1727	620	2,000
1730	1,173	2,000
1770	1,632	2,008
1785	552	1,954
1790	66	1,954
1803	1,009	1,981
1808	818	1,954
1817	792	1,954
1828	2,121	2,089
1844-74	1,161	2,089
1874-1904	1,467	2,271
1905	1,405	2,271
1915	1,581	—

Out of 147 families investigated in this typical village only 22, or just under 15 per cent., can pay their way

according to the standard they have fixed for themselves. The others are living below that standard, or else are deriving income from outside, or increasing their debts. It is not debt which holds down, in an average year, the bulk of the people in this group in an insolvent condition. If debt disappeared, still 80 per cent. of the village would be insolvent in an average year. The whole maintenance of the position depends on the hope of good seasons, which have come about only twice in the last ten years.

1918-19 was a genuine famine year. There was a loss of 59·7 per cent. of the bullocks, 80·5 per cent. of the cows and 74 per cent. of the buffaloes. 300 people left the village for work during the famine; 200 went to a local famine camp, the rest went to industrial centres.

Counting only the increase in debt, the famine has meant to this little community an increase of indebtedness of at least Rs. 13,021, or by over 44 per cent. in one year. Some of this may be paid off at an early date, but much probably will be permanent, either in its present or in some modified form.

Such evidence of rural deterioration points to the need of a new and more enlightened policy of taxation. The class which maintains the race must not be crushed under an economic burden it is least of all able to support; the classes which enjoy a taxable unearned income should not be allowed to contribute less than their just proportion to the needs of the State.

## CHAPTER XVII

### RETROSPECT AND FORECAST

**The Royal Share in Ancient India.**—India with her variety of physical features or agricultural conditions and her long chequered history of conquest and assimilation of various races and peoples presents a greater complexity of land tenures than what may be found in any other single country in the world. As early as the Vedic period the village community established itself and the king of the tribe claimed his *bali* or tribute from the peasants collectively. Even in that period we come across village lords attaining their superior position through some kind of pre-eminence over the brotherhood (*Sajatas* and *Samanas*). In the later periods the village community became stronger due to the emphasis on co-operative methods in agriculture and irrigation and the necessities of population increase. Individual ownership in arable land was fully established but the meadows, pastures and irrigation channels were owned in common. That people encroaching upon the grazing grounds were liable to penalties was laid down by such ancient law-givers as Manu and Yajnavalkya. Transfer of land to outsiders was not permitted. The Artha-Sastra clearly lays it down that a co-villager has the right of pre-emption in the matter of sale of land in the village, and this is also later supported by the Mitakshara (I; 1). The revenue was usually collected not from the individual peasants but from the community represented by the village headman, the descendant of the Vedic officer, the *Gramani* (a term which has still survived in South India). The royal share was fixed at the standard rate of

one-sixth, though some authorities mention such rates as one-eighth, one-tenth and one-twelfth. Such rates referred most probably to the gross produce. It is also probable that the annual tithe varied in different regions and in successive epochs. The Artha-Sastra at least contemplates a scale of rates for different classes of soils and crops, while elaborate village registers of classes of soil, unculturable waste, area out-turn and revenue roll are reminiscent of the present-day settlement work. It also refers to the land revenue and other charges as being assessed on the basis of the returns supplied by the village *Gopa* (accountant) on the individual holdings of the villagers though collective assessment (*pindakara*) is also mentioned. There were revenue-free lands enjoyed by the Brahmans (corresponding to the modern *devottara*) and by officials of the State, wise men or merchants for reward of public service (corresponding to the *inam* of Moslem introduction). The sixth of the produce was mentioned as the standard revenue share in the Jatakas (500-400 B.C.). This is corroborated by the later evidence of Hiuen Tsang for the empire of Harsha, and the records of the Pala dynasty of Bengal (800-1100 A.D.). Stray documents and inscriptions here and there indicate the use of a standard unit for the measurement of lands and a standard revenue demand for a known unit area. Payment was made usually in kind, but cash assessment of entire villages is mentioned in the Jatakas and is also evidenced by historical examples in Northern India of the 9th century and later. Under the Sena Kings of Bengal, payment in cash made a great advance and we meet here with cash assessments on lands at a specified standard rate for a unit-area.<sup>1</sup>

**The Ancient Village as Proprietor.**—While cultivation by the peasant proprietor (the *Khettapati* or *Vatthupati*

<sup>1</sup> Ghoshal : *The Agrarian System in Ancient India*.

of the Jatakas) was the general rule, holders of large estates who could sub-let the land either for rent or for a share of the produce were, however, met with (Apastamba II. 11. 28).<sup>1</sup> The unappropriated waste was held by the village, but the State also sometimes owned demesnes, portions of villages, or village meadows directly administered by the king's revenue officers. The State dealt with the village headmen and not with the individual cultivators. Excepting the evidence from the Artha-Sastra, which probably refers to individual assessment in connection with what may be regarded as crown domain administered directly by the king's officers, collective assessment from the entire villages was the method prevailing in India through the centuries. The king's officers must live outside the village, enjoins Sukracharya. The South Indian inscriptions clearly indicate that the village assemblies were the absolute proprietors of the village lands. New clearings and reclamations of virgin lands went to the village assemblies and not to individual proprietors, as also lands abandoned for crime against the village (*grama-droha*) or arrears of rent. They also sanctioned settlements and assessed the taxes, and were authorised to confiscate and sell the lands, if taxes were unpaid for full two years (No. 29 of 1893).

**The Khiraj in the Moghal Empire.**—With the establishment of the Muhammadan rule, the share of the gross produce payable to kings and overlords in the Hindu regime was converted into *khiraj* or revenue and the share taken was also greater. The traditional claim of one-sixth of the produce was raised to one-third in the twelfth century in Northern India and the latter continued to be the uniform standard in the Moghal Empire. Moreland estimates that it represents twice the amount demanded as rent by the

\* N. C. Banerjee: *Social and Economic Life in Ancient India*.

modern land-holder in the United Provinces. Further, collections were regularised and the cash payment by headmen or farmers became the ordinary rule. From Timur through Firoz Shah and Sher Shah to Todar Mal and Malik Amber, the revenue demand became less of an exaction and the machinery of assessment and collection was vastly improved. Perhaps the earliest Muhammadan ruler whose name is important in India's fiscal history, is Firoz Tughluq. He appointed an assessor of revenue, made him submit a detailed land revenue report, reduced the state demand, probably from one-half of his uncle, Muhammad Tughluq, to one-fourth and further lightened the burdens of the peasantry by abolishing the custom of the levy of benevolences from provincial governors. Equitable methods of valuation and assessment were also introduced. No doubt the Muhammadan rulers and statesmen, as soon as they consolidated their position, utilised the Hindu traditions of Sharing and Appraisement of the crops together with the method of Measurement which were highly developed in certain tracts. Thus Sher Shah in Bengal gave the peasants a choice between Sharing and Measurement. The peasants could pay revenue either in a fixed proportion of the produce (one-third) or at cash-rates for each crop, valued at local prices. Later on Todar Mal had the land measured carefully and then divided into four classes according to the fertility of the soil. The share of the State was fixed at one-third of the produce and payment in cash was introduced into several parts of the country. Settlements were concluded on the basis of a ten years' average of prices. In the Deccan, Malik Amber's standard rates were accepted as the basis representing one-third of the cash value of the gross produce of the land. Malik Amber introduced a sort of permanent village settlement with a revenue independent of seasonal fluctuations. He attached to the proprietary right of the cultivator the power of sale



while other lands were granted as the joint property of the village.

In the latter days of the Moghal Empire collective assessment superseded the methods favoured by Sher Shah and Akbar. The provincial chief or any person in authority made settlements with the villagers acting through their headmen for such a fixed annual revenue as the latter agreed to pay, or he took a share of the produce in kind, or, again, levied a cash assessment according to the quality of soil or crops grown. The increase of administrative pressure since the reign of Shahjahan enhanced the standard imperial share to half of the produce of the land fully cultivated, while assignees and farmers, who began to collect the great bulk of the revenue by the middle of the 17th century, took "as much as the cultivator could afford to give." This led to great oppression and suffering, and in fact the sale of women and children as slaves on account of default in revenue payment and abandonment of whole villages by the peasantry were not unknown in Northern India.<sup>1</sup>

**Illegal Imposts.**—The dismemberment of the Moghal Empire was the opportunity for the smaller chiefs, rulers, *zamindars* and farmers of revenue whose demands were formerly kept in check by the strong hand of the Emperor at Delhi. The illegal and vexatious imposts known as *abwabs* came into prominence with the decline of the imperial authority. *Abwabs* had been kept in check by the decrees of successive Moghal Emperors; and long lists of *abwabs* sought to be abolished by Akbar, Jahangir and Aurangzeb are available from the Moghal chronicles. It is probable that a few of these continued in spite of the imperial ordinances, and as soon as the central administration became weak, the provincial rulers began to levy a host of these imposts and rack-rented and oppressed the peasantry who could not

<sup>1</sup> Moreland: *The Agrarian System of Moslem India*.

resist. Murshid Quli of Bengal was the first Nawab Nazim who introduced the system of exactions by *abwabs*. The *abwabs* imposed by Murshid Quli Khan and Shujauddin and Mir Kasim Ali Khan amounted, according to the calculation of Sir John Shore, to about 33 per cent. upon the *tumar* or standard assessment and the impositions of the *zamindars* upon the ryots to more than 50 per cent. of the same. The increase was  $\frac{1}{3}$ th per cent. per annum in the periods 1582-1658, and 1658-1722. In the period 1722-1756, the revenue demand chiefly of *abwabs* increased by  $\frac{1}{3}$ th per cent. ; and in the period 1756-1763 the demand increased to 6 per cent. per annum.<sup>1</sup> The continuance of multifarious *abwabs* in Eastern Bengal is a relic of Mir Kasim's excessive demands which the *zamindars* could impose with impunity in the outlying tracts far distant from the seats of imperial or provincial government. It is noteworthy that among the *abwabs* abolished by Aurangzeb by imperial orders to all revenue officers some are still extant in the United Provinces, Bengal, Bihar and Orissa such as the *salami* on the sale or mortgage of land or a house, slaughter fee at the time of killing cows and goats, fee on salt made from nitrous earth, *bhet baqra*, *tahsildari*, etc.

**British Indian Revenue History.**—The East India Company when they first came into possession of Bengal, Bihar and Orissa farmed out the revenues and utilised the older *zamindars* and subordinate chiefs who collected the revenue and made it over to the ruling power. Owing to a variety of circumstances the system did not succeed. Warren Hastings also appointed farmers of land revenue for a period of five years irrespective of the rights claimed by *zamindars*, a policy in its disregard for the *zamindar* not dissimilar to that of Murshid Quli. The results were ruinous to all concerned. The old *zamindars* could not take the settlement

<sup>1</sup> Ascoli: *Early Revenue History of Bengal*, p. 29.

of estates while the new farmers resorted to extortion, leading to the desertion of the peasantry. The short-term settlements with the farmers proved both administrative and financial failures. Finally Lord Cornwallis's Permanent Settlement followed in 1793. Whether the mistake of the Permanent Settlement originated from the confusion between Bengal *zamindars*, who were only landholders and the English landlords who were real proprietors, or from the existence of hereditary Rajas and Nawabs whose rights the British regarded as impolitic to contest or, again, from the high pitch of the revenue assessment, the result was that the Permanent Settlement completely effaced the *khudkast ryots*' immemorial customary rights and also brought about the disruption of the village community which guaranteed the former. If the customary rights of the *khudkast ryots* who formed the *elite* of the village community in Bengal had been maintained much of the later legislation introduced by Government to provide safeguards against rack-renting would have been unnecessary. In many respects the series of land-laws in Bengal since 1859 sought to give legal force to the customary rights of cultivators, which the Permanent Settlement had left unascertained or actually obscured. The *zamindari* system was afterwards extended to the Benares division of the North-Western Provinces of Agra and Oudh. One sequel of the Permanent Settlement in Bengal has been the subdivision and subinfeudation of rights in land which has created a long chain of rent-receivers and rent-payers known as *patnidars*, *dar-patnidars*, *se-patnidars* and so on who intervene between the State and the actual cultivator. Proprietary rights in Eastern Bengal are quite commonly found seven and eight deep; each of these strata of proprietorships is divided up among equally numerous shares. This has resulted in the levying of numerous *abwabs* and other illegal assessments all along the ever-ramifying tree of tenures.

A variant of the *zamindari* system was at a later period established in the Central Provinces where under the Mahratta rule the revenues of the villages have been farmed out to individuals called *Malguzars*, or *Patels*. These *Malguzars* were converted into proprietors by the British, though not in the Bengal sense. The *Malguzari* settlement is also liable to periodical revision. Similarly in Oudh smaller chiefs, revenue farmers and *Jagirdars* have been transformed into proprietors and have obtained special promises and privileges from the British after the Mutiny of 1857.

In the greater part of the Madras territories Munro (1825) found that the village headman was still the collector and rentier of the village. But the village communities which still remained entire were ignored and engagements were entered into with individual ryots. Munro based the Madras system on an error and the error spread to Bombay. It is well-known that the early assessments in Madras, Bombay and most other provinces were too heavy and caused agricultural distress. At each periodical settlement the officials found that the Government were entitled to a larger share of the produce. The *Ryotwari System*, as it was called, was later established in Berar and with some modifications in Assam and Burma. Baden-Powell's contention that the *Ryotwari*-village was the original type in India, that the earliest settlers had no ideas of common tribal ownership and that individual property was the rule even in early land settlement, has been found untenable on a close study of Indian social origins. Among the agricultural communities of Central and South India, as well as in the villages of South-Western Bengal, which show the largest Dravidian mixture, traces of the early clan properties and periodical divisions are still clearly discernible. It is probable that the rice-growing Munda-Dravidian peoples of the South took to Northern India the custom of communal ownership along with the *panchayat*, the

appointment of which was the effect of the system of shifting tenures.

In the Punjab and the United Provinces the village communities were founded mostly by agricultural tribes, classes and castes who formed compact brotherhoods, called the *Bhaiachara* communities. The Rajputs and other military, aristocratic or at least non-cultivating classes, however, regarded themselves as superior to the rest of the agrarian population and thus conquest, usurpation or grant created the landlord village, bearing down the rights of the earlier joint community who once had the village lordships and are now generally reduced in their turn to inferior proprietors. Thus there are varieties of joint villages whether tribal, 'democratic' or held by the joint descendants of aristocratic founders as the prevailing tenure from the plains of the Indus to those of the Ganges and the Jamuna, and in each variety the *panchayat* along with common lands and grazing grounds and collective irrigation and economic management survived the vicissitudes of history. Here the British settlement was made with the community as a body, although at the beginning attempts were made to settle the villages on a permanent basis with revenue farmers or other persons of note. But even in the *Mahalwari Settlements* there is a tendency of the British revenue officers to maintain the collective responsibility only in name. They have advanced towards individual assessments and treated in practice the co-proprietors as individual proprietors.

**The Disintegration of Village Communities.**—The supersession of the ancient rights of the village communities by the creation of rent-collecting land-lords or by state-landlordism has not been favourable to the peasantry and the village life as a whole in India. In Bengal, Bihar, the United Provinces and the Central Provinces we find the same story of mistake and its subsequent rectification according to which full proprietorship was first given to

*Zamindars* and *Malguzars* suppressing the rights of the village communities but later on occupancy status has been established to a less or fuller degree and the inferior tenants protected from arbitrariness. A series of tenancy laws, however, cannot check all the abuses of irresponsible or absentee landlordism, which has received the sanction of the British Government. The land-lords have encroached upon and restricted common rights in the village-waste, neglected their duties towards irrigation, levied illegal cesses and displayed little practical interest in the improvement of the condition of the tenants. Thus the relations between the land-lords and tenants to-day are on the whole unsatisfactory, and become severely strained whenever the inferior land-lords treat the ownership of land simply as a financial investment through a long series of middle-men, who widen the cleavage between the actual proprietors and the actual tillers of the soil. Nor is the increase of middle-men confined to the permanently and temporarily settled tracts. About 53 per cent. of the lands in India is held under the *Ryotwari* system, and in 47 per cent. there is an intermediary between the cultivator and the State. But even in the *Ryotwari* tracts there has been a large increase of rent-receivers and tenants. It is estimated that on account of the prevalence of subletting, over 30 per cent. of the lands are not cultivated by the tenants themselves in Madras and Bombay. Similarly in the Punjab the number of rent-receivers has considerably increased of late. All this has lowered the economic status of the actual tiller of the soil, who hardly owns more than a quarter of the lands in India.

In a similar manner the suppression of the rights of the village communities by the State has left the cultivators without economic support from their class. As a result of the centralization, village customs and usages have also become stereotyped and would not adjust themselves to new social and economic needs. The excessive fragmentation

and scatteredness of holdings, the conflict between the richer and the landless peasantry, between the cultivating and money-lending castes are all recent evils, which have been aggravated by the British misunderstanding of the Indian village tenures and customs. The increase of the landless classes from decade to decade, the transfer of land to money-lenders, and the multiplication of a class of intermediaries who profit from the complexities of the present land system, are symptoms of an inequitable land distribution which is fraught with grave economic and social danger. The land-lord in most provinces has become a rent-receiver rather than a wealth producer and contributes relatively a small portion of his surplus towards the up-keep of the State, while the cultivator of the uneconomic holding, who represents the majority of the agricultural population in many provinces, often is left with no surplus after the payment of his rent or revenue and interest.

### **Cultivator's Right sanctioned by Ancient Custom.—**

The present distribution of land in India is thus fraught with great economic and social danger. Throughout India the ancient custom and tradition laid down that the cultivator had a right to retain his holding so long as he paid a definite share of the harvest or the tax demandable from him. In Southern India, where most of the land is held by petty occupiers direct from the State, this custom has been respected from the beginning of the British rule. In the *Ryotwari* areas in Madras the registered occupant of each field is entitled to hold the land for ever, so long as he pays his land revenue; and inheritance, transfer, mortgages, sale and lease are without restriction. Similarly, in Bombay, as in Madras, a *ryot* is secure in possession of his holding, so long as he regularly pays the instalments of his land revenue; and the right of occupancy, in the case of the ordinary survey

tenure, is transferable by inheritance, sale, gift or mortgage without restriction.

**Its Denial in the Zamindari Tracts.**—But in Northern India, in both the permanently and temporarily settled areas, the tenants or *ryots* still lack complete protection. The *zamindars* being declared to be, “proprietors of the soil,” “land-holders,” “land-owners” in the legislation of 1793, it follows as a natural consequence from this and from the introduction of English ideas that the *ryots* have come to be looked upon as their tenants. Every prejudice arising out of Western notions of property and the relations of landlord and tenant in Great Britain came to be entirely on the side of the *zamindars*. There cannot be the least doubt that even in Bengal every settled cultivator formerly was entitled to be maintained in the quiet occupation of the land he tilled, so long as he paid the established quota of land-tax to the *zamindar*. This was a right inherent in the cultivator as sanctioned in the traditional land law, and did not in any way emanate from the *zamindar* as *suddar malguzar*. It was unfortunate that at the time of the Permanent Settlement the rights of the *ryot* were not defined at all. The Government was unable to ascertain them fully and accurately. Even Shore, in his Minute of 1789, remarked: “With respect to the *ryots*, their rights appear very uncertain and indefinite.” The Government was also apprehensive lest enquiries into these rights should excite suspicion in the minds of the *zamindars* that the assessment of the revenue was not really meant to be permanent; and it indulged a strong hope that *zamindars* and *ryots* would, as did landlords and tenants in England, adjust all matters of dispute between them by contract.<sup>1</sup> Unfortunately, the subsequent regulations of

<sup>1</sup> *The Report of the Rent Law Commission, Bengal.*



1799 and 1812, instead of conferring security of tenure upon the tenant, left him practically at the mercy of the *zamindar*. His property was rendered liable to distraint and his person to imprisonment if he failed to pay his rent, however extortionate it might be. It was only in 1859 that we witness the enactment of a law restricting the *zamindar's* power of enhancement in certain cases. The landlords of Bengal, profiting by special rules made in favour of auction-purchasers and devised to protect the Government revenue, persistently and with the sanction of the courts enhanced rents and ejected tenants arbitrarily, thus denying to the *ryots* the security which they enjoyed, according to ancient custom and which it never was the intention of the Government to abrogate at the time of the Permanent Settlement.

#### **Stages of Tenant Protection in the Provinces.—**

Tenant protection throughout India is now sought after the model of the Bengal Tenancy Act of 1885, which secured the status and privileges of all classes of tenants in Bengal, including Bihar and Orissa. This Act provides that every *ryot* who has held any land in a village for twelve years acquires thereby a right of occupancy, and 80 or 90 per cent. of the occupants have such right. The non-occupancy tenants cannot be ejected excepting in execution of the decree of a competent court, nor can their rents be enhanced at shorter intervals than five years. In the province of Agra the 12-year period of continuous possession formerly constituted the basis of the acquisition of the occupancy rights. While in Bengal the right of occupancy accrued without any trouble or harassment, in Agra the increase of occupancy areas was slow and uncertain, and was accompanied by chronic litigation.

In the new Tenancy Act for Agra the 12-year rule has been abrogated, and for non-occupancy tenants a life interest has been granted with a succession for five

years, as in the case of the statutory tenants of Oudh. The position of tenants in Oudh is exceptionally weak, though there is no doubt that the recent Oudh Rent Act has contributed largely to ameliorate their condition. This accounts for a chronic discontent among the peasantry which lies below the surface. The British Settlement Officers feel that the rights and privileges of the landholding aristocracy have been bolstered up by pledges which have now proved inconvenient for land reform. There cannot be any doubt whatsoever that the landowning classes of Oudh will find it to their interest to give adequate protection to the tenants. As time elapses, the so-called statutory tenants who possess the right to retain their holdings only for life, will claim and be granted occupancy rights by prescription, and perhaps a beginning in this direction will be represented by the principle that a statutory tenant may acquire occupancy rights in land cultivated from year to year without a lease for at least 12 years. Similarly, in the case of the non-occupancy tenants in Agra, permanence and heritability are the incidents to which the present life tenure will assimilate itself sooner or later as a result either of enlightenment among the landlords or of acute discontent amongst the tenantry.

Another direction of reform lies in the restriction of the accrual of *sir* rights for the landlord both in Agra and Oudh. The justification of *sir* rights mainly lies in the advantages of superior cultivation by the landlord, who commands larger capital and shows greater initiative. Thus *sir* rights ought not to be allowed to accrue beyond the extent to which the landlord's family can cultivate the holding without importing into it permanent outside labour. On a similar principle there are grave objections to the letting of *sir* land. *Sir* rights are incompatible with the lease of land. The same principle will apply in the case of *zamindars* of the Madras Presidency, who usually have home-farm lands over

which they possess complete rights. As regards the rent rates, the principles now adopted in the recent tenancy legislation of Agra and Oudh are sound. Rents are now fixed at Settlement, the periods of which differ in various provinces, and the Settlement, or the Roster-year Officer has power to reduce exorbitant rents. The rents can be enhanced at fixed intervals, and the rates fixed by the Roster-year Officer govern all the rent suits for the determination of rents. There is little doubt that the special machinery devised in Agra and Oudh will be in closer touch with the local economic data on which alone fair soil rates, district by district, should be based.

**Arbitration of Rent Disputes.**—The great disadvantage of State machinery for the adjustment of rents, however, is its inelasticity and complexity of procedure. Perhaps a move in the right direction will be represented by the formation of arbitration tribunals whose procedure will be much simpler and whose decisions will be quicker and more acceptable than the decisions of courts and revenue authorities. Japan, by laws passed in 1924, has laid down regulations for arbitration in the matter of tenancy which may be adopted with excellent results in the permanently and temporarily settled tracts of India. In Japan, when a dispute arises on the subject of amount of rent or of other questions connected with it, the parties may present a request for arbitration to the provincial tribunal, which can deal directly with the question or submit it to an arbitral commission, the latter to be composed of a president and of at least two arbitrators. If on the day of hearing the parties have not come to an agreement, the tribunal or the commission, as the case may be, must pronounce its decision; when this decision comes from the commission it must be submitted to the tribunal for ratification.<sup>1</sup>

<sup>1</sup> *International Year-Book of Agricultural Legislation*, pp. 1061-69.

In most provinces of India the disposal of rent suits is left in the hands of the civil courts. Now the number of rent-suits filed each year in many districts in Bengal is increasing considerably. In one district as many as 17,565 rent-suits were filed in 1918, in almost every case for three years' rent of a holding. It means that every year the rent of 50,000 tenancies falls into arrears and ultimately has to be realised by the civil courts. On the whole, the number of tenancies in the district, the rent of which may be expected to be realised by suit if it falls in arrear, has been estimated at rather under three lakhs. The civil court procedure is both expensive and dilatory and the tenants also put forward every device they know to gain time. An alternative method is necessary. Whether the matter should be left in the hands of the revenue officers, or to special land courts depends upon local conditions, the character of the landlords and the degree of education of the tenants.

**Advantages and Drawbacks of Produce-sharing.**— Similarly, the produce-rent system, which is now everywhere discouraged in India as being an engine of oppression of tenantry, need not be discountenanced altogether. In Bihar the produce-rent system is more prevalent than elsewhere because the *zamindars* have played their due part in the construction and maintenance of private canals, channels and embankments. Moreover, the produce-rent represents an automatic adjustment to rural economic conditions. From 1859 the enhancement of existing cash-rents in Bengal and Bihar was not so easily effected as hitherto, and since 1885 it has been comparatively difficult. Since the Bengal Tenancy Act became law, Bihar *zamindars* generally have been endeavouring to obtain produce-rent for as much land as possible. There is no necessity here for the institution of suits for enhancement on the ground of rise in prices, and to the full extent of the rise. The tenants, however, generally detest the appraisement system,

which gives at each harvest occasion for friction with landlords. Among the bigger *zamindaris* in Bihar, the system undeniably gives opportunities to speculative purchasers to annul for practical purposes all the protection which agrarian legislation has afforded to occupancy *ryots* of which advantage sometimes has been taken.<sup>1</sup> Among the petty estates the system does not work as great hardship as in the larger ones; the interdependence of irrigation and produce-rents in many cases produces a happy result. Where rent is paid in kind the landlord who neglects his liabilities in respect of irrigation-works will at once feel the result in his pocket; these high rents do give him a direct inducement to do his duty. In fact the introduction of commutation has in many areas led to the neglect of irrigation works, and the *ryots* are now beginning to realise that the convention of produce-rents into money-rents has not been altogether beneficial. Although there is a stipulation that the landlord can realise the fixed money-rent only as long as he maintains the irrigation system in order, the result in practice has been that he seldom does this. Thus the benevolent intention of the Government is a pious wish because the *ryots* are unable to seek the remedy in the court.

There is no doubt that the prosperity of large tracts in Tuscany and Southern France are due to *metayage*. Share-tenancy agreements in Italy testify to the close economic partnership between the landlord and the tenant assured thereby; the landlord provides the machines, live-stock and an adequate working capital in conformity with the requirements of scientific agriculture, while the tenant provides adequate agricultural labour. The produce is divided usually in exactly equal shares, as in India. The produce-rent system assures to the tenant better protection

<sup>1</sup> *Patna District Gazetteer*, p. 14.

against the uncertainties to which Indian agriculture is particularly liable. It may be conducive to greater co-operation between the landlord and the tenant if only there are definite agreements as in Italy, for instance, to protect share tenancy. Thus, when the landlord gets a money-rent instead of his share of produce, he absolves himself of all risk and trouble, which are shifted to the tenant. Absenteeism then follows as the next step. Recently Portugal has passed a law which deals with the form of the payment of rent for rural lands. It lays down that in the case of those contracts for the letting of rural lands, for which it is stipulated that the rent must be paid in cash whatever the duration, form and title of the lease, one moiety of the rent shall be paid, on the respective dates of expiry, in cash and the other in kind if the lessor or the lessee should so demand. It is laid down that the commodities contemplated are those which are derived from the cultivation usually predominant on the lands leased; and their value, unless it is otherwise agreed upon by the parties, shall be calculated on the basis of the year in which the lease was concluded.

**Rent of Uneconomic Holdings.**—In the congested parts of Bengal, Bihar and the United Provinces the section of the Tenancy or Rent Acts which gives the ground for an enhancement of rent by the landlord due to a rise of prices also needs amendment. Population has multiplied and the holdings, owing to continuous fractionalisation, have become uneconomic. Tenants, therefore, who have no surplus agricultural produce for sale do not benefit from a rise of prices. At the same time the competition for land tends continuously to raise rent to a higher level than the holdings can pay. There is needed accordingly some discrimination between economic and uneconomic holdings in the assessment of rent by the Settlement or Roster year officer or by the Civil Court. Obviously the ground for an

enhancement of rent due to the rise of the price-level is not applicable to uneconomic holdings.

**Legal and Economic Measures of Consolidation.—**

Intensive enquiries in the villages of the Indo-Gangetic plain indicate that this problem is very serious. Nearly half of the tenant population in villages possess holdings, whose size is below the subsistence limit of three acres. Again, the unprotected tenant occupies everywhere smaller-sized plots and pays higher rents than the protected tenant. Naturally, most of these unprotected tenants belong to the fluctuating class, tenants one year and labourers the next. The holdings are too small and the rents too high to retain permanent tenants. Hence the question of fair rents is closely related to the problem of economic family holdings. We have already discussed the need of tentative legislation in this direction which would compel all villagers to accept restripment when a majority desires it. On the death of the cultivator, a preferred heir could succeed as in Germany and compensate the other heirs. The introduction of economic holdings is, however, impossible so long as there are protected and unprotected grades of tenants, or, again, where agriculture is so much dependent upon rainfall that holdings have to be scattered in different soil areas to minimise the risks of agriculture. In densely populated regions a forward scheme of consolidation would also involve expropriation and widespread distress in the absence of better opportunities of emigration and of industrialism. Thus, the whole problem of consolidation is connected with the reform, not merely of the land and revenue law, but also of the present-day practice of Indian farming.

The maintenance of the small family holding, however, no longer can be left either to voluntary mutual transfer or to co-operative consolidation, but must be dealt by legislation. Throughout the country, wherever the land is fertile, the constant subdivision of property that takes place

tends to make the income derived from the holding less and less adequate for the needs of the family. The climax of absurdity has been reached in many districts of the Punjab, the United Provinces, Bengal, Bihar, Orissa and the Madras Presidency, where the average size of the holding is hardly more than an acre or two. A forward scheme of consolidation is the crying necessity of Indian agriculture. First, the economic cultivation unit must be determined region by region, and the law should protect this unit against further subdivision. In the case of *zamindari* tracts, no transfer of occupancy rights should be permitted by the landlord where the land may be reduced below the size of the economic cultivation unit. The extent must be such that a family of medium size can cultivate it effectively, and in any case it must not be less than three acres. There will be enormous social and legal difficulties to overcome before an economic family holding of this size can be constituted. But, if such difficulties cannot be faced to-day, they may be overcome a few decades hence. Sooner or later the country must adopt compulsory restripping operations so as to establish an area suitable for normal small cultivation. The incredibly small scale in which cultivation is now carried on can hardly be called normal farming. Therefore, the amalgamation of small holdings, provided the total area does not exceed the size of the economic cultivation unit, must be deemed a necessary return to the normal. Each cultivator participating in the restripping might receive, out of the regrouped area, in exchange for his old property, an area of land of equal value and equal quality with that which he possessed before the exchange. At the time of restripping the law might also effect the liquidation of all easements and the regulation of roads and paths, as well as the provision of a general constructive plan for the rural unit created by the restripping of the lands.



**Purchase of Zamindari rights on behalf of Tenantry.**

—To secure land and provide money for such a programme, legislation might also be necessary for dividing portions of *zamindaris* or great estates among peasants and landless men. Agrarian reform on such lines need not be labelled as a socialistic policy. The whole history of tenancy legislation in the past indicates that it was considered indispensable by the local Governments in different provinces to adopt measures of protection of various grades of tenants. The existence of a considerable body of tenants-at-will and of other tenants, whose holdings are so small and whose title in these so meagre that their economic surplus is negligible, points to the imperative need of an agrarian adjustment in public interest. In a densely populated country, efficient intensive farming is a social necessity and the State must intervene when this is jeopardised for the sake of the welfare of the whole community though at first sight it may look as a policy dictated by the welfare of the tenant class. In India the incidents of feudal land-holding still survive, strengthened by less ancient promises and pledges. All these are compatible neither with the political power, which the peasantry will gain in the new constitution, nor with the economic democracy the first stirrings of which are visible in wide-spread peasant unrest and tenant revolt. During a whole century and more which lies between now and the promises unjustly given to superior landholders in India through a gross violation of ancient customary rights of the tenants and village communities, both economic and political life has progressed in a direction which challenges the equity of former social arrangements.

**Unearned Increment and Unequal Distribution of Tax Burdens.**—The State with its new and growing demands of public expenditure finds it impossible to forego its legitimate share of the increment of the value of land, which has

accrued due to public works rather than the investment of capital by the landlord. The present unequal distribution of the tax burden as between landholders of different grades also calls for immediate revision. For, at one end, the superior landholders benefiting from the absence of an income-tax on agricultural incomes and a death duty and from the permanent or temporary settlement contribute a relatively small quota of their surplus towards the State, while at the other end of the scale the small and impoverished holder often finds his entire surplus swept away by rent or revenue which tends even to trench upon his bare minimum of subsistence. Lastly, there is a fundamental difference between the reward of labour which the actual tiller of the soil expects from that which the capitalist or landlord expects from the investment of his own savings. There is a far greater social injustice involved in an encroachment on the direct return to one's present labour than in the indirect return to past labour or saving, which implies a considerable surplus somewhere and at some time. Not merely does the State in all countries trench upon man's savings but in some it has declared that property rights owe their justification only in so far as these are used for the purpose of the community as a whole, thus excluding at least in theory the exploitation of the actual tiller of the soil by superior landed interests.

**Proposed Methods of Acquisition of Zamindari Rights by Indian Tenants.**—Agrarian reform involving acquisition of big estates, and their division into farms for small holders was effected by drastic legislation in most countries in Central and Eastern Europe. Though the principle of compensation was accepted, the compensation was fixed in many cases at a rate much below the market value of the land: in Poland it was put at one-half the market price; in Roumania and Austria it was limited to a certain multiple of the annual value of the land; while in Bulgaria it was based on the average value of the land from 1905 to

1915, reduced by amounts ranging from ten to fifty per cent.<sup>1</sup> In Ireland and Scotland such reform was made at an earlier date by a series of cautious land laws. The Irish Land Act of 1909 and the Scottish Small Holder's Act of 1911 have a compulsory clause, authorising compulsory acquisition of land for the purpose of constituting small holdings. In Ireland the Act allows the landlords to sell their rights in land held by the tenants for a guaranteed price paid by the Government, and the tenants to buy their farms, paying for them by easy instalments. If the owner does not accept the final offer of the Estates Commissioners, the land is acquired compulsorily. Similarly, land in West and South Ireland may be requisitioned by the Congested District Board.

In Bengal and Bihar expropriated *zamindars* might be compensated in a similar manner while the new small owners could be allowed to pay by easy instalments at least a part of the price of the land they needed, representing a certain multiple of the rent. The Government would advance the amount for the expropriation and be repaid by the purchasers by means of annual repayments to include interest and a quota of the repayment of the principal. As an alternative, the Government might guarantee to the expropriated landlords the annual payment of their existing net rents and security for themselves and their heirs, as proposed in the Liberal Party's Land Reform Scheme in England. The Government on its part would settle the tenantry on the estates with restrictions of sale, mortgage or transfer, and prevent such holdings being reduced lower than the economical limit, following the precedents of the smaller agricultural countries in Europe. Easy and cheap facilities of credit should also be supplied by the State so that the tenant might start work on his newly acquired holdings

<sup>1</sup> Ogg: *Economic Development of Modern Europe*, p. 650.

without any handicap of indebtedness. The problem is very urgent, and an early solution is imperative. If the experience of Central and Eastern Europe is to have any lessons for us, the solution lies in legislation aiming at the preservation of the greatest possible number of independent holdings: first, by preventing any land belonging to the peasantry being added to the landlord's estate, or transferred to the clutches of a non-cultivating class; secondly, by providing against holdings being reduced by the detachment of parcels, below the limit which in existing circumstances must be considered necessary to insure that a family shall find full occupation upon them; and thirdly, by compulsorily acquiring land from landlords or under-tenure-holders, who hold large estates and who would be compensated by the State. The State should obtain a portion of the compensation cost from the new owners in easy instalments extended over a reasonable period or in the form of annual rents.

**Incidence of Land Revenue and the Cultivator's Real Economic Surplus.**—In Madras and Bombay the introduction of special legislation to promote restripment and consolidation should be least difficult because questions of tenancy right do not there complicate the situation as they do in the North. Indeed, preliminary experiments in restripping and amalgamation should meet hardly any difficulties at all in these Provinces, where even now the village *panchayats* have kept alive the tradition of a mutual transfer of holdings. The assessment of a fair land revenue which does not encroach upon the cultivator's standard of life and comfort would thus be facilitated. It should be determined by the same principles which govern fair rents in the permanently and temporarily settled tracts. The State, in estimating the net produce, should make a liberal allowance for the true and full expenses of cultivation, the labour of the cultivator and his

family, depreciation of agricultural capital, and insurance against the inevitable risks of agriculture in the Indian climate; it also should return the land revenue in the form of benefits which may increase the efficiency as well as the comfort and amenities of life of the cultivator.

In Madras and especially in Burma the produce basis of assessment has not been worked fairly and suitably for affording a true indication of the economic surplus of small holders. In the United Provinces, the Punjab, the Central Provinces and Bombay the rental value has been adopted as the basis of assessment. Where there is an excessive pressure of population on the soil, the high rents which result from competition among tenants are unreliable guides and may lead to over-assessment. Again, *nazaranas* are usually paid by the tenants periodically or on entry to the holding and these obscure true rental values. No doubt in some portions of the United Provinces, Bombay, and Berar, the over-crowding of agriculture, the minute fractionalisation of holdings and the paucity of alternative employments have raised actual rents to a much higher pitch than the economic rents. Similarly the sale transactions, for the same reasons, are apt to lead to serious mistakes. Thus "a very wide margin must always be allowed for the eccentricities of the raw material." <sup>1</sup>

The following table gives a rough comparison of the percentages of revenue to rental value in the different provinces :

Province.	Percentage of revenue to rental.	Average percentage
Madras	... 10·7 to 29·0	17·1
Bombay	... 17 to 50	...
United Provinces	... 20 to 42	27
The Punjab	... 19 to 36	25

The Indian Taxation Enquiry Committee, which compiled the above figures from the data supplied by the local Governments, have also estimated that while prices have risen by 117 per cent., the land revenue has risen by 20 per cent. and that a portion even of the rise must be due to the increase by 7 per cent. in the area sown. This is, however, not the proper method of finding out the real incidence of the land revenue. For obviously the cultivators of small holdings do not profit much from any rise of prices, having little agricultural surplus for sale in the market. Further, the small holder's produce is practically hypothecated to the money-lender who advances seeds and necessities from one harvest to another. The cultivator as the debtor may actually suffer a loss due to high prices, when he borrows more than what his fields may yield ordinarily. For years of high prices in India are years of low yields for the cultivator. Further, prices fluctuate while the rental and revenue demands are relatively inelastic, and form a larger proportion of the agricultural costs in less favourable years. A high pitch of land revenue or rents thus operates in lean years in reducing the cultivator's security, rent and revenue being prior charges and this results in higher rates of interest and aggravating the effects of indebtedness.

A comparison of the increase of land revenue with the index number of agricultural income per head as given in Chapter XI shows a disparity between assessment and the agricultural income of the peasant. While the agricultural income during three decades increased roughly by 30, 60 and 23 per cent. the land revenue increased by 57, 22·6 and 15·5 per cent. in the United Provinces, Madras and Bombay respectively. Such a large increase of land revenue coupled with its commutation in cash and its collection at harvest time has worked very unfavourably on the economic position of cultivators of uneconomic holdings, who form the

majority in these Provinces. Among such cultivators actual rents may be higher than economic rents and a proportion of average assessment of 17 to 25 per cent. to rental is much higher than the traditional claim of the State in Hindu India of one-sixth of the produce, though it is lower than the standard rate of one-third which prevailed in India from the 12th century down to the Moghal period.

**The Need of Scientific Agricultural Costings.**—It is essential that the basis of assessment should be defined and revised according to the accepted principles of agricultural economics. Both the net produce and the rent bases without reference to the uneconomical size of the majority of holdings, the competition for land, the indebtedness of the peasantry, the recurrent cycle of lean years or to crop experiments in the field, have proved dangerous and misleading. Agricultural accountancy has become a science in the United States, Belgium and Denmark. Assessment in India must be guided by scientific economic principles of agricultural costing. This will necessitate that in calculating the annual value as the basis of assessment the value of the gross produce should be estimated *less* the true and full cost of production, which would include an adequate allowance for all labour expended by the cultivator and his family on the holding, the return for enterprise, the depreciation of agricultural capital and payment of interest and insurance against the inevitable cycle of droughts in the Indian climate. It is thus that the settlement officer may have to fix an assessment for a holding lower than what the rent, sale and price statistics or even crop experiments may justify, in order to avoid an encroachment upon the cultivator's normal surplus or an appropriation of his bare minimum of subsistence. This will be no radical change in the revenue policy of the Government for, as we have seen, some of these fundamental economic principles of agricultural costing form the basis of revenue assessment

in the new land-revenue code of the Central Provinces. The more scientifically agricultural costings are worked out, the greater the stability of agricultural conditions and the less the possibility of the land-revenue becoming a tax on the necessities of better living and farming. Further, the revenue policy should be elastic enough to permit remission and suspension, when the expectation of an agricultural surplus is not actually realised due to the exigencies of agriculture. The collection of revenue in properly arranged instalments and in kind with due regard to the time when the cultivator should part with his produce is also a much needed reform.

**Land Taxation as a Method of Re-distributing Agricultural Surpluses.**—In no case should the assessment trench upon any portion of the agricultural produce which is not the true economic surplus or rent. Nor should it wholly annex the surplus, for it is out of this that the improvement not merely of the standard of life but also of farming comes. Finally, the uneconomic holdings must be exempted from revenue in order that the land revenue system viewed as a system of taxation may satisfy the canons of ability and justice. While an income-tax on agricultural income as in France and Japan or a succession duty may shift the burden of revenue more and more on to the landlords, intermediaries and more prosperous cultivators, who are now living on the proceeds of another's labour, the charge should be divided, after the determination of the true annual value, between the landlords and the tenants in proportion to their contribution to agricultural productivity. Thus the division will be different for each province according to its agricultural circumstances, tenancy laws, and sub-division and sub-infeudation of rights in land. The exemption of all under-sized holdings from revenue and rent enhancement will mean a large sacrifice of the income of the State and the landlords, but no doubt the enfranchisement



of the rural classes in the reformed constitution will inevitably bring with it a new distribution of the burdens of taxation, as such matters as the method and pitch of assessment, the periods of revision and graduation of enhancements come under the effective control of the legislature.

**The Exemption of the Uneconomic Holding from Land Revenue.**—The concept of the economic holding is not an abstraction, “an amalgam of averages which involve hopeless impossibilities” as some regard it, but is as useful as the notion of a Representative Firm for the purpose of indicating taxable capacity. The economic theory of rent has advanced much farther since the Ricardian formulation in which, as Professor Ely explains, by a sort of theoretical magic, the entire prosperity of society is made dependent on land margins instead of the general, mutually interdependent and shifting use-margins of labour, land, capital and enterprise, covering the entire economic field. Such an *a priori* hypothesis suits very well with British individualistic ideas of land-holding and the traditions of Bentham and Mill in which the English administrators are born and bred; and this underlies the Government demand in India for increasing the burden of land tax through the successive decades with general economic prosperity. It is now recognised that the emergence of rent does not depend only upon the differential advantages of land as regards fertility and situation but on the conjuncture of the entire forces of economic management in which land together with other factors of production compete for productive use. Thus the size of the land-holding, like the dose of capital and labour, is a very important factor in determining whether rent will accrue or not. The revision of the theory of land rent in the hands of modern economists ought to imply a reversal of the attitude of the

Government towards revenue assessment in India. Where agricultural holdings are so small that the cultivators live below the economic level and cannot even in the best of years make ends meet or make ends meet only in a good year but not in a bad, there is no rent or unearned income which Government or a landlord may appropriate. It is also a specious argument to urge that the exemption of the uneconomic holding from land revenue would put a premium on fractionalisation of the economic holdings.<sup>1</sup> For the peasantry are quite familiar with the disadvantages of fragmentation and take recourse to it as the last resort due to poverty and indebtedness. The lack of alternative employments has led to a serious overcrowding of agriculture and in fact in some provinces the proportion of population supported by agriculture is on the increase. In Bengal the proportion has continuously increased in the following manner :

*Proportion of Population supported by Agriculture.*

1881	...	...	...	53·8
1891	...	...	...	63·2
1901	...	...	...	71·5
1911	...	...	...	75·4
1921	...	...	...	77·3

In Madras and Bombay as well the increase of population has similarly led to a greater proportionate increase of classes depending on the land. As long as the pace of industrialisation cannot be quickened in the country there will be a considerable number of uneconomic holdings and a vast amount of seasonal idleness, which no Government can regard without misgivings in the interest of social peace. A reduction of the land revenue would encourage neither fractionalisation nor agricultural idling. On the other

<sup>1</sup> See *Report of the Taxation Enquiry Committee*, p. 78, and *Evidence*, Volume II, Radhakamal Mukerjee's oral evidence.

hand, a further increase of the burden of land tax would make agricultural conditions worse, create more uneconomic holdings and more landless labourers and aggravate the twin economic menace of unprofitable agriculture and industrial backwardness.<sup>1</sup>

**A Flat Land Cess and an Income Tax on Agricultural Profits.**—The land tax as levied in areas not under Zamindari Settlement in India, indeed, rests as a heavy burden upon owners of small holdings which are often undersized and represents a vestige of medieval finance and semi-feudal land-holding which India has outgrown. The land tax in modern countries does not hold the pre-eminence as it does in India. It is generally levied for local purposes. In France, the basis of assessment is the same as in India, *viz.*, the rent which is actually paid to the landlord or in cases in which the cultivator is himself the owner the competitive rent for similar land in the locality. But while in India the tax amounts to about 25%, in France it is only 10% of the economic rent while incomes derived from land are also liable to a general income-tax. In Italy also the scheduled land-tax is a much smaller rate than in India, *viz.*, 10% of the economic rent assessed according to a system of cadastres. Both landlord and tenant are liable to the state income-tax.<sup>2</sup> The general tendencies of development of land taxation in other countries indicate that the flat rate is kept relatively low and divorced from the idea of the taxable capacity of the cultivator and that there is a general income-tax which applies to agricultural profits; while heavy death duties are meant to introduce an element of progression. In India the adoption of these features as well as the entire exemption of the farmer of uneconomic holdings from

<sup>1</sup> See Anderson: *Facts and Fallacies about the Bombay Land Revenue System* for some fallacies in this connection.

<sup>2</sup> For a description of the land taxes in Europe, see *Report of the Indian Taxation Enquiry Committee*, pp. 31-36.

taxation can alone avoid the injustice and inequality of the present system of land taxation

**The Disparity between Rent and Revenue Enhancements in the U. P.**—In the temporary settled tracts as well the continuous rent enhancement increases the heavy burden of both privileged and ordinary tenants of small holdings which are often uneconomical in their size. In the United Provinces, for instance, during the period from 1900 to 1930 we find that rents have been increased at a higher pitch than the revenue demand and the rent of ordinary tenants still higher than the rent of privileged tenants. Since the passing of the new tenancy legislation the proportion of ordinary tenants to the total number of the cultivating classes has of course become insignificant.

*Index Numbers of Rents and Revenue in the United Provinces.*

Year.	RENTS PER ACRE.		Land Revenue Demand.
	Privileged tenants.	Ordinary tenants.	
1901	99	96	99
1910	106	112	103
1920	113	133	107
1930	121	166	111

Year.	Wholesale Prices.	Agricultural Wages.
1900	168	100
1910	122	100
1920	241	112 <sup>1</sup>
1930	155	180 <sup>1</sup>

Figures for 1917 and 1928.

The average of 1901-1905 has been taken as the standard (100) by the Bureau of Statistics, U.P., which have compiled the figures. On the one hand, the State has received a much smaller share of the unearned increment, only 10 per cent. during the last thirty years, while the share of the landlords has been 21 and 66 per cent. for privileged and ordinary tenants respectively. But the whole question is that on account of the enormous competition for agricultural holdings and continuous fragmentation these rents often tend to exceed the real economic surplus or the Ricardian rent and trench upon the cultivators' bare minimum of subsistence. Since rents represent one of the first charges on the holdings any rents higher than economic rents materially reduce the security of the holdings, enhance rates of interest, reduce the surplus in the hands of the cultivating classes which may go to the improvement of farming and standard of living and make the holdings more uneconomic. Thus along with the exemption of the cultivator, who owns an uneconomic holding, from land revenue in the *ryotwari* tracts, a similar exemption of tenants of uneconomic holdings from enhancement of rent in the permanent and temporary settled tracts becomes indispensable in order that the small tenants may no longer move in a vicious circle.

**Modification of Occupancy Status and Recognition of Sub-Tenants.**—The status and rights of the tenants on the permanently and temporarily settled estates should also gradually approximate to those of the *ryotwari* cultivators. A permanent and heritable right of use and occupancy of land should gradually accrue, either by continuous occupation for twelve years, combined with regular payment of rent, or by a specific grant of the State as in the case of the Central Provinces cultivator. Such a permanent right was enjoyed by the cultivator under time-honoured custom in India. The present condition of agriculture demands, however,

the modification of the occupancy status in one or two directions. Under-cultivation and misuse of the land are too common in the case of permanent tenure-holders and occupancy tenants who are entrenched within their own rights ; and cases are also frequent where landlords, desirous of making a permanent improvement of the land, cannot undertake such a measure on account of the ignorance or perversity of the tenant, who refuses to recognise such an improvement and pay an enhanced rent for it. In the interests of scientific agriculture, the occupancy system should be altered so that the tenant may not acquire a permanent and heritable right to neglect and impoverish the soil. Perhaps the recent share tenancy agreements of Italy, which define the duties of both landlords and tenants, might be helpful in prescribing the conditions of permanent tenure. The agricultural drawbacks of a system in which the legally protected peasant becomes a mere rent-receiver are also obvious. At present the occupancy status can be enjoyed by only one person in a long chain of subinfeudation. We have seen already that the right frequently passes into the hands of a person other than the cultivating tenant, resulting in friction and economic wastage. The framers of the Bengal Act of 1885 contemplated the *ryot* to be a person who would actually till the soil. They laid down that there should be one grade of *ryot*, the genuine cultivator. Measures were devised to discourage sub-letting by *ryots*, but these have failed in their object. As a result of the license given for subinfeudation, there is great danger of the extinction of all occupancy privileges with the genuine *ryot* class. The so-called *ryots* have been converted virtually into middlemen, and the actual cultivators into under-*ryots* without any security, almost into tenants-at-will in the eyes of the law as it now stands. The practice of sub-letting and subinfeudation has grown considerably, not merely in Bengal but also in all *zamindari* provinces, in

spite of various restrictions imposed upon this practice. The capture of occupancy privileges by the middle and money-lending classes, and the lowering of the status of the peasantry, now have social as well as political significance. The situation can only be remedied by more thorough-going measures for the prevention of sub-letting, and by the recognition of the inferior class of under-ryots and agricultural partners as occupancy tenants with all the privileges belonging to them. Occupancy rights thus should accrue only to the actual tillers of the soil. An excellent precedent is afforded by the Central Provinces Tenancy Act. Further, no tenant should have the right of occupancy in so much of his holding which is above the size of the economic holding and cannot be cultivated by him or his family without permanently importing hired labour. This will involve the determination of the size of the economic cultivation unit in each area, which will also be useful in limiting encroachment on the real profits of agriculture.

**Restriction of Lease, Mortgage and Sale.**—One of the chief causes of agrarian complication has been a policy of drift with regard to the transfer of protected tenant right. Unrestricted transfer is a newly acquired right imported from the West and is entirely opposed to ancient tradition and custom. On the permanently and temporarily settled estates the privilege of the landlord to refuse his consent to transfer and withhold recognition of the incoming cultivator's status has encouraged illegitimate exactions as well as litigation. Such legal restriction as exists has contributed only to lower the money value and lessen the security of the protected tenant right. For example, while an arbitrary enhancement of rents is checked by the civil court in Bengal and Bihar and the settlement operation in Agra, Oudh and the Central Provinces, the landlord has everywhere sought to defeat tenancy law by allowing rents to continue at a low figure and to exact premiums on new leases of surrendered

holdings or on the leasing of the land for the first time. Such premiums represent capitalised rent, and the opportunity of premium-hunting varies with the privileges of the landlord. Thus a periodical tenancy, or the right of the landlord to refuse transfer or lease, has been accompanied by the practice of levying illegal exactions. This practice is now well nigh universal, but has grown with the new protective tenancy legislation. On the other hand, free transfer has led to agricultural unsettlement in the Deccan, Punjab, Chota Nagpur and the Central Provinces. As long back as 1879 the Dekkhan Agriculturists' Relief Act was passed to cope with agrarian discontent in four Deccan districts—Poona, Satara, Sholapur and Ahmednagar. The Act provided for the appointment of a special judge and numerous councillors who were empowered to investigate mortgages and similar alienations of land, to revise the terms of contract, and to arrange for an equitable settlement of claims, with a view to restoring the original rights of the occupant. The greater part of the Act was extended to the remainder of the Presidency in 1905. Reports indicate that the Act has had the desired effect of protecting the revenue-paying classes from the encroachment of non-agriculturists, and that, although it has restricted credit, it has not done so to the extent of hampering agricultural operations. The Bombay Land Revenue Code Amendment Act of 1901 created a special tenure known as the restricted or non-transferable tenure. Under this Act the Collector is authorized to grant the occupancy of lands for limited periods, or on such conditions as he may think necessary, the principle of these being that the occupant cannot alienate his land without the previous permission of the Collector. The conditions of the non-alienable tenure are designed to meet the circumstances of the wild tribes, the depressed castes and other classes of cultivators who are known to be backward or improvident.



**Defects of the Punjab Restriction of Alienation.—**

The Punjab Land Alienation Act, the Central Provinces and the Chota Nagpur Tenancy Acts, all seek to check the serious evil arising from the transfer of land from the agriculturists to the money-lending and professional classes. In the Punjab, agriculturist money-lenders, however, have grown in proportion and the Act has not served its entire purpose. The Act has afforded only partial protection to the statutory agriculturists. In no agricultural community money-lending is a business which is restricted exclusively to a particular caste. Thus the Act has not protected the peasant against a money-lending agricultural group ; and in fact the richer peasant tends to oust the poorer in the Punjab, especially in the more congested districts. Further, as there is no restriction against a member of the agricultural caste adopting any profession, occupation or trade, the Act has introduced an unfortunate antagonism between the classes whom the statutes favour for the investment of capital in land and those whom the statutes do not favour, apart from a division on communal lines. The division of the community into agricultural and non-agricultural money-lending castes in respect of restriction on land alienation, as adopted in the Punjab, is as contrary to economic forces as full of social risks.

In the Central Provinces the difficulties of the Punjab have been avoided by enacting that occupancy right can be transferred to certain heirs only. Transfer to others requires the *malguzar's* consent and if made without such consent is voidable. It can also be annulled through the Deputy Commissioner on application by the heirs of the transferring tenant. Though sub-letting for a year is permitted, occupancy tenancies cannot be mortgaged. Both in the Central Provinces and Chota Nagpur the Acts in the main have succeeded, though there has been some contraction of the cultivator's credit.

**Need of Protection of Small Proprietors in the U.P.**—In the United Provinces, where the restriction of alienation of land has been recently proposed by the Agricultural Debt Relief Committee, the division of the community into the agricultural and non-agricultural castes breaks down altogether. In the United Provinces it may be said that whatever the profession, and however important the profession of a non-agricultural caste, it will yet be found to be holding arable land and agriculture will still be its mainstay in rural life and economy.<sup>1</sup> All castes have entrenched themselves in land through the centuries. Social gradation is governed by the supremacy of the Brahman and the Thakur, who represent the priestly and military-aristocratic traditions respectively; but these castes have added to their dignity by ownership of land although they sometimes disdain to drive the plough. All castes, whatever their origin and social function, want to ascend in the social scale by investing capital in land, and many of them have proved excellent landlords. Thus the Vaish *zamindars* in some districts of the north-west exhibit the best traditions of land management; while the Brahmans, principally landlords, are money-lenders buying up small proprietors on a large scale and proving themselves good and sympathetic landlords in Muttra and Agra. Besides the Brahmans there are some agricultural castes like the Kurmis, who are engaged in money lending, but these have already proved themselves bad landlords in some eastern districts. Other agricultural castes, principally tenants, lending money are the Koiris, Muraos, Ahirs and Rajputs. There are many Thakur *talukdars* in Oudh, and some of them are big money-lenders, but as a class the Thakurs are extravagant and are being steadily expropriated. In the Province as a whole though

<sup>1</sup> S. S. Nehru, *Caste and Credit*, pp. 10 and 47.

the Rajputs and Muhammadans have lost heavily by transfers of land, many agricultural, along with non-agricultural money-lending groups have gained.<sup>1</sup> Among the agricultural purchasers are prominent the Brahmans, and the Kurmis, Ahirs, Lodhas, Chamars and Jats, apart from the market-gardening castes such as the Kachhi, Koiri, and Murao, who have gained a considerable area of land in different districts. Thus for devising restrictions of transfer of land of small proprietors in the United Provinces it will be most inexpedient to adopt the Punjab principle of division according to caste which will cause hardship, stereotype rural antagonisms and upset the normal upward economic movement of certain successful agricultural castes of low social status. A Land Alienation Act protecting that portion of the *sir* land, which is under the *zamindar's* own cultivation, against mortgage and sale to the money-lender, whether agriculturist or not, will be more suitable for this Province. *Sir* and not ancestral land as such should claim protection. The Land Alienation Act should apply only to an ancestral holding, which is cultivated by the actual proprietor (*sir*), because obviously the intention of the Act is to protect the agricultural profession and not the agricultural caste, which may easily take advantage of inalienability and transform itself into a class of intermediaries and rent-receivers. Thus the Act should also include an effective restriction of sub-letting. No owner of *sir* land, which cannot be mortgaged or sold to money-lenders, may be permitted to sub-let for more than three agricultural seasons, and may not sub-let again within a period of five years any portion of such holding which is held by a tenant. Finally a *sir* economic holding should not only be inalienable but also indivisible.

<sup>1</sup> *Report of the U. P. Provincial Banking Enquiry Committee*, pp. 125-128.

In the new agrarian legislation which has created small family holdings in Central and Eastern Europe, sale or transfer has been restricted most rigidly. The law of Prussia makes State approval compulsory for transfer of real properties. In many cases, in order to create a charge on the family holdings, the consent of the State is necessary. Mortgages and land debts may only be entered in the form of debts repayable by instalments and not capable of being called in ; the mortgage of land debt as a rule is discouraged or its amount limited by legislation. The grantee of the family holding may require the consent of the State to the entry of a right of usufruct (tenancy), a land easement, a limited personal easement, or a real encumbrance, when it is compatible with the rules of normal working, and it does not diminish or impair essentially the effective character of the family holding. A limit of indebtedness may be entered for mortgages, land debts and land revenues encumbering the family holding. Distraint on the family holding in respect of a personal debt may be disallowed.

In Bombay the restricted or non-alienable tenure has already been created by the State. In the Central Provinces the sub-letting of land is prohibited as drastically as in the Russian Agrarian Code. The prohibition of mortgages containing a foreclosure clause is already a part of the Punjab Land Alienation Act. The Usurious Loans Act and other measures have enabled the civil courts to go behind contracts and mitigate the hardships of the indebted peasantry. In the United Provinces, the redemption and settlement of unsecured debts of agriculturists, drastic reduction of rates of interest and the establishment of debt conciliation courts have been proposed. In different provinces the transfer of the cultivator's holding is sought to be restricted to agriculturists of the same village. In Bengal, as far back as 1880, the Rent Law Commission recommended

that occupancy holdings should not be mortgaged, and that the right of occupancy, though saleable in execution of a decree for its own rent, should not be saleable in execution of any other decree. Gradually but surely measures restricting transfer, mortgage and lease will be deemed necessary in every province if the small cultivating proprietor is not to give place to a non-cultivating, rent-receiving and moneyed class. The distribution of land among the several classes, the character of the people, the facilities of credit to which the cultivators have access,—all these will determine both the form as well as the character of such restrictions.

Restrictions on transfer will, no doubt, abridge credit, but where the free sale of land is increasing and the cultivating classes and castes are gradually ousted by the non-cultivating classes, the danger is that the land is not worked as assiduously as before when the magic of property was there. On the other hand, restrictions on transfer which prevent the cultivator from raising money on the credit of his land will raise the rate of interest, add to the volume of litigation and impeding the free flow of capital into the land, block agricultural improvement. In the Central Provinces such restrictions have sometimes enabled the landlord to obtain the lands of his tenants very cheap. We cannot expect that landlord or superior holder will finance the tenant or stand as surety for his loans. Thus as the tenant will and must still borrow, the restriction on transfer must be accompanied by facilities of co-operative credit to a much greater extent than are now deemed practicable. Further, where a district land mortgage bank is established, occupancy tenant should be granted the rights of mortgage and sale in favour of and through the bank and a co-operative credit society. The right of purchase of occupancy status, with or without the consent of the landlord, may also be granted to an unprotected tenant in case a land mortgage bank, which

has advanced money to him for the permanent improvement of the land supports his application.

In the *ryotwari* tracts the legislation to protect small holdings by means of restrictions on lease and transfer, and by agricultural loans, grants and subsidies, will be in keeping with the theory of State landlordism. In a country inhabited by a dense population economic adjustment can be brought about only by intensive small farming. The State can assist a great deal through agricultural associations, credit societies, land mortgage banks and direct subsidies. But small farming cannot thrive unless and until we accept the principle that no one may own any greater area of land than he can cultivate by the labour of his own family. This is the dictate of agricultural economics, to which we must listen if we wish to rescue our agriculture from its present stagnation.

**Reform versus Revolution.**—There is a growing recognition by men of varied political and economic predilections that changes in the Indian land system are imperative. The opinion has now spread to all classes of society. Under the pressure of an enormous population upon the land the holdings have come to be so small and fragmented that they can neither utilise the full labour of a family nor can support it even under the existing low standard of subsistence. At the same time the landlord has become a rent-receiver rather than a wealth-producer, having ceased to play his old and honourable part in the agricultural combination. To-day he neither supplies agricultural capital nor controls farming operations. Below him has developed a class of intermediaries, who have profited from the complexities of the present land system and make the difficult position of the actual cultivator still more precarious. This is no criticism, but a summary of the facts. The old system has broken down, and it is imperative that a new system be

created in its stead which is adapted to the present conditions and requirements of agricultural and social life. To delay the process of adaptation, whether from fear of angering "vested interests" or from apathy towards the unvocal classes, is to sow the seeds of drastic reform, and, it may be, even of revolution.

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